



**DECLARATION OF KAREN MATTESON**

I, Karen Matteson, declare pursuant to 28 U.S.C. § 1746 as follows:

1. I am one of the attorneys representing the Division of Enforcement in this proceeding. I have personal knowledge of the following facts and, if called as a witness, would testify competently thereto.

2. I am one of the attorneys representing the Commission in the injunctive action *SEC v. Pedras*, CV 13-07932 GAF (MRWx), filed in the Central District of California. During the pendency of that case and subsequently, this proceeding, I have had a number of communications with the United States Attorney's Office for the Central District ("USAO"). At the time the Commission filed its injunctive action, Pedras was residing in New Zealand. Subsequently, the USAO informed me that Pedras had left New Zealand, and relocated to the nation of Tonga. The USAO further informed me that it had filed a petition to remove Pedras from Tonga. Subsequently, during or about the week of December 1, 2014, the USAO informed me that the petition for the Department of Justice to remove Pedras from Tonga had been denied by Tonga, and that the Department of Justice was therefore proceeding to attempt to extradite him.

3. Because, to the Division's knowledge, Pedras has not been in the United States during the pendency of this proceeding, the Office of the Secretary was unsuccessful in serving him with the Order Instituting Proceedings ("OIP") by certified mail, and the Division has been unable to learn his actual physical address, I served Pedras on September 3, 2014, with the OIP by emailing it to the three email addresses to which the Commission had transmitted documents in *SEC v. Pedras* pursuant to the District Court's orders that the Commission was permitted to serve Pedras by email. I received messages that delivery to two of those email boxes had failed;

I received no such message with regard to the third email box. True and correct copies of my email and the attachment thereto (the OIP, Service List and letter from the Office of the Secretary) and the messages regarding failed delivery to two of the email boxes are attached as Exhibit 1.

4. Attached as Exhibit 2 is a true and correct copy of a court certified copy of the Final Judgment by Default Against Defendants Christopher A.T. Pedras, Alicia Bryan, Maxum Gold Bnk Holdings Limited, Maxum Gold Bnk Holdings LLC, FMP Medical Services Limited, and FMP Medical Services LLC, and Relief Defendant Comptroller 2013 Limited, filed by the Court on June 9, 2014, and entered into the docket by the Clerk on June 10, 2014, in *SEC v. Pedras*.

5. Attached as Exhibit 3 is a true and correct copy of a court certified copy of the Memorandum & Order Regarding Motion for Default Judgment, issued by the Court on April 16, 2014 in *SEC v. Pedras*.

6. Attached as Exhibit 4 is a true and correct copy of Plaintiff Securities and Exchange Commission's Memorandum of Points and Authorities in Support of *Ex Parte* Application for a Temporary Restraining Order and an Order to Show Cause why a Preliminary Injunction Should not be Granted, which the Commission filed under seal on October 28, 2013, in *SEC v. Pedras*.

7. Attached as Exhibit 5 is a true and correct copy of the Temporary Restraining Order and Order to Show Cause why a Preliminary Injunction Should not be Granted, issued and filed under seal by the Court in *SEC v. Pedras* on October 28, 2013. The filings under seal were unsealed shortly after this TRO was issued.

8. Attached as Exhibit 6 is a true and correct copy of the Amended Temporary

Restraining Order and Order to Show Cause why a Preliminary Injunction Should not be Granted, issued by the Court in *SEC v. Pedras* on November 6, 2013.

9. Attached as Exhibit 7 is a true and correct copy of the Order of Preliminary Injunction issued and filed by the Court in *SEC v. Pedras* on November 6, 2013.

10. I have neither knowledge of, nor expertise in, the law of New Zealand or the law of Tonga, including with regard to service of documents filed in administrative proceedings pending before United States Government agencies. I did however, do some basic internet research to determine whether New Zealand and/or Tonga are parties to the Hague Service Convention. Based on my review of the website of the United States Department of State, it appears that neither country is a party to the Hague Service Convention. Attached as Exhibit 8 are true and correct copies of relevant pages I reviewed from the Department of State website.

11. I also attempted to locate New Zealand and Tonga law regarding whether service by email is prohibited in either country. I did locate a government website for New Zealand: <http://legislation.govt.nz>. I searched that website using the terms "service by email," and "email service," and received the message that "your search did not find any documents" in response to both searches. I was unable to locate a governmental website for Tonga setting forth its statutes or legislation.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on December 11, 2014, at Los Angeles, California.

  
\_\_\_\_\_  
Karen Matteson



# **EXHIBIT 1**

**Matteson, Karen L.**

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**From:** Matteson, Karen L.  
**Sent:** Wednesday, September 03, 2014 7:30 PM  
**To:** [REDACTED]  
**Cc:** Longo, Amy  
**Subject:** In the Matter of Christopher A. T. Pedras -- a proceeding has been instituted against you by the SEC  
**Attachments:** Doc 1 OIP (6-18-14).pdf

Dear Mr. Pedras:

On June 18, 2014, the Securities and Exchange Commission instituted an administrative proceeding against you, as set forth in the attached Order Instituting Proceedings.

As set forth on page 3 of the Order, you must file an Answer within twenty days of service of the Order, or you may be deemed in default and the proceeding may be determined against you. Twenty days from today's date is September 23, 2014.

Please reply to this email to let me know you have received it. You also may contact me if you have any questions.

**Karen Matteson**  
Senior Trial Counsel  
Los Angeles Regional Office  
Securities and Exchange Commission  
5670 Wilshire Boulevard, 11th Floor  
Los Angeles, CA 90036  
(323) 965-3840 (telephone)  
(323) 965-3908 (facsimile)

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 72423 / June 18, 2014**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-15936**

In the Matter of

**CHRISTOPHER A.T. PEDRAS (aka  
CHRIS PEDRAS aka ANTONE  
THOMAS PEDRAS),**

**Respondent.**

**ORDER INSTITUTING ADMINISTRATIVE  
PROCEEDINGS PURSUANT TO SECTION  
15(b) OF THE SECURITIES EXCHANGE  
ACT OF 1934 AND NOTICE OF HEARING**

**I.**

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 ("Exchange Act"), against Christopher A.T. Pedras (aka Chris Pedras aka Antone Thomas Pedras) ("Respondent" or "Pedras").

**II.**

After an investigation, the Division of Enforcement alleges that:

**A. RESPONDENT**

1. Respondent was the sole owner and director of Maxum Gold Bnk Holdings Limited, which he incorporated in New Zealand on July 23, 2010, and FMP Medical Services LLC, which he formed in Nevada on September 7, 2012; the sole director of affiliate Maxum Bnk PCPT Limited; one of three officers of Maxum Gold Bnk Holdings, LLC, which he formed in Nevada on February 22, 2012; the sole director and shareholder of FMP Medical Services Limited, which he incorporated in New Zealand on July 17, 2013; and the sole owner and director of Comptroller 2013, which he incorporated in New Zealand on March 19, 2013. Pedras was either an exclusive signatory or one of two signatories on numerous bank accounts in the United States and New Zealand opened in the names of these entities. Pedras is not registered with the SEC in any

capacity, and acted as an unregistered broker. Pedras, age 62, is a United States citizen and he resides in Turlock, California and Auckland, New Zealand.

## **B. ENTRY OF THE INJUNCTION**

2. On June 10, 2014, a final judgment by default was entered against Pedras, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act"), and Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Christopher A.T. Pedras (aka Chris Pedras aka Antone Thomas Pedras), et al., Civil Action Number 13-07932 GAF, in the United States District Court for the Central District of California.

3. The Commission's complaint alleged that, from at least July 2010 until the Commission filed its action on October 28, 2013, Pedras, through five different U.S. and New Zealand-based entities of which he was an owner, officer and/or director, offered and sold securities in unregistered offerings based on materially false representations and omissions without being registered as a broker, in furtherance of a Ponzi scheme by which more than \$5.6 million was raised from over fifty United States investors. Among other false representations, Pedras told investors that the Maxum Gold Trade Program was a "low risk" investment with returns ranging between 4-8% per month and claimed investor funds would be placed in escrow to facilitate a bank trade program. When Pedras was unable to pay the promised returns, he began promoting the FMP Renal Program to Maxum Gold Trade Program investors, falsely claiming, among other things, that the new program would instantaneously increase the value of Maxum Gold investors' investments by approximately 80%. In fact, neither investment program was real; instead, they were a Ponzi scheme. Pursuant to the Ponzi scheme, Pedras paid out more than \$2.4 million in investor "returns" directly out of investor funds, misappropriated nearly \$2 million in cash, cars, retail purchases and transfers to and from his related companies, and caused \$1.2 million to be paid in sales commissions to a network of sales agents.

## **III.**

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act.

## **IV.**

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an

Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

  
Jill M. Peterson  
Assistant Secretary

**Service List**

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Notice of Hearing ("Order"), on the Respondent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray  
Chief Administrative Law Judge  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-2557

Karen Matteson, Esq.  
Amy Jane Longo, Esq.  
Los Angeles Regional Office  
Securities and Exchange Commission  
5670 Wilshire Boulevard, 11<sup>th</sup> Floor  
Los Angeles, CA 90036

Mr. Christopher A.T. Pedras





OFFICE OF  
THE SECRETARY

UNITED STATES  
**SECURITIES AND EXCHANGE COMMISSION**  
100 F Street, N.E.  
Washington, D.C. 20549

JUN 18 2014

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Mr. Christopher A.T. Pedras  
[REDACTED]

Re: In the Matter of Christopher A.T. Pedras (aka Chris Pedras aka Antone Thomas Pedras)

Dear Mr. Pedras:

Please find enclosed the Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Notice of Hearing (the "Order") in the above-referenced matter.

Your attention is directed to Section IV of the Order, which requires you to file an answer pursuant to Rule 220 of the Commission's Rules of Practice. The Commission's Rules of Practice can be found at <http://www.sec.gov/about/rulesofpractice.shtml>. Rules 220 and 310 of the Commission's Rules of Practice provide that if you fail to file the required answer or fail to appear at a hearing after being duly notified, you may be deemed in default and the proceedings may be determined against you upon consideration of the order for proceedings, the allegations of which may be determined as true.

Please file an original and three copies of your answer or other pleadings as required by Rule 152(d) of the Commission's Rules of Practice. Please also file a notice of appearance as required by Rule 102(d) of the Commission's Rules of Practice.

If you have any questions or wish to discuss any aspect of the proceedings, you may communicate with Karen Matteson, Esq., or Amy Jane Longo, Esq., Los Angeles Regional Office, Securities and Exchange Commission, 5670 Wilshire Boulevard, 11<sup>th</sup> Floor, Los Angeles, CA at [REDACTED] (Ms. Matteson) or [REDACTED] (Ms. Longo).

Sincerely,

  
Jill M. Peterson  
Assistant Secretary

Enclosure

**Matteson, Karen L.**

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**From:** Mail Delivery System <MAILER-DAEMON@OPC-STAMP01.SEC.GOV>  
**To:** [REDACTED]  
**Sent:** Wednesday, September 03, 2014 7:30 PM  
**Subject:** Undeliverable: In the Matter of Christopher A. T. Pedras -- a proceeding has been instituted against you by the SEC

**Delivery has failed to these recipients or groups:**

[REDACTED]  
A problem occurred during the delivery of this message to this e-mail address. Try sending this message again. If the problem continues, please contact your helpdesk.

The following organization rejected your message: [64.15.141.66].

**Diagnostic information for administrators:**

Generating server: OPC-STAMP01.SEC.GOV

[REDACTED]  
[64.15.141.66] #<[64.15.141.66] #5.0.0 smtp; 5.1.0 - Unknown address error 553-"sorry, that domain isn't in my list of allowed rcpthosts; no valid cert for gatewaying (#5.7.1)" (delivery attempts: 0)> #SMTP#

**Original message headers:**

X-IronPort-AV: E=Sophos;i="5.04,462,1406606400";  
d="pdf?scan'208,217";a="45091272"  
Received: from unknown (HELO D2-DLPMail-01.sec.gov) ([172.28.16.30]) by  
D2-IronPort01-DLP.sec.gov with ESMTP/TLS/DHE-RSA-AES256-SHA; 03 Sep 2014  
22:29:34 -0400  
Received: from D2-IronPort01-DLP.sec.gov ([172.28.16.30]) by  
D2-DLPMail-01.sec.gov (8.13.8/8.13.8) with ESMTP id s842TXF1015603;Wed, 3  
Sep 2014 22:29:33 -0400  
X-IronPort-AV: E=Sophos;i="5.04,462,1406606400";  
d="pdf?scan'208,217";a="45091270"  
Received: from opc-ad-excav01.ad.sec.gov (HELO sec.gov) ([172.28.17.11]) by  
OPC-IPORTPRIVATE.SEC.GOV with ESMTP/TLS/AES128-SHA; 03 Sep 2014 22:29:33  
-0400  
Received: from OPC-AD-EXMBX01.AD.SEC.GOV ([fe80::3c43:c03d:e39b:ebae]) by  
OPC-AD-EXCAS01.AD.SEC.GOV ([:1]) with mapi id 14.03.0195.001; Wed, 3 Sep  
2014 22:29:33 -0400

[REDACTED]

CC: "Longo, Amy" <[LongoA@SEC.GOV](mailto:LongoA@SEC.GOV)>  
Subject: In the Matter of Christopher A. T. Pedras -- a proceeding has been instituted against you by the SEC  
Thread-Topic: In the Matter of Christopher A. T. Pedras -- a proceeding has been instituted against you by the SEC  
Thread-Index: Ac/H50eRSKe+0D6STP2a/BUBOM7BoQ==  
Disposition-Notification-To: "Matteson, Karen L." <[MattesonK@sec.gov](mailto:MattesonK@sec.gov)>  
Date: Thu, 4 Sep 2014 02:29:31 +0000  
Message-ID: <[958F48F66D344D4F87CAC296731169A9563B9BE2@OPC-AD-EXMBX01.AD.SEC.GOV](mailto:958F48F66D344D4F87CAC296731169A9563B9BE2@OPC-AD-EXMBX01.AD.SEC.GOV)>  
Accept-Language: en-US  
Content-Language: en-US  
X-MS-Has-Attach: yes  
X-MS-TNEF-Correlator:  
x-originating-ip: [172.30.100.145]  
Content-Type: text/plain  
MIME-Version: 1.0  
X-RCIS-Action: ALLOW

**Matteson, Karen L.**

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**From:** Mail Delivery System <MAILER-DAEMON@OPC-IRONPORT01.SEC.GOV>  
**To:** [REDACTED]  
**Sent:** Wednesday, September 03, 2014 7:30 PM  
**Subject:** Undeliverable: In the Matter of Christopher A. T. Pedras -- a proceeding has been instituted against you by the SEC

**Delivery has failed to these recipients or groups:**

[REDACTED]  
A problem occurred during the delivery of this message to this e-mail address. Try sending this message again. If the problem continues, please contact your helpdesk.

**Diagnostic information for administrators:**

Generating server: OPC-IRONPORT01.SEC.GOV

[REDACTED]  
#< #5.0.0 smtp; 5.1.2 - Bad destination host 'DNS Hard Error looking up fmpmed.co.nz (MX): NXDomain' (delivery attempts: 0)> #SMTP#

**Original message headers:**

X-IronPort-AV: E=Sophos;i="5.04,462,1406606400";  
d="pdf?scan'208,217";a="45091272"  
Received: from unknown (HELO D2-DLPMail-01.sec.gov) ([172.28.16.30]) by  
D2-IronPort01-DLP.sec.gov with ESMTP/TLS/DHE-RSA-AES256-SHA; 03 Sep 2014  
22:29:34 -0400  
Received: from D2-IronPort01-DLP.sec.gov ([172.28.16.30]) by  
D2-DLPMail-01.sec.gov (8.13.8/8.13.8) with ESMTP id s842TXF1015603; Wed, 3  
Sep 2014 22:29:33 -0400  
X-IronPort-AV: E=Sophos;i="5.04,462,1406606400";  
d="pdf?scan'208,217";a="45091270"  
Received: from opc-ad-excav01.ad.sec.gov (HELO sec.gov) ([172.28.17.11]) by  
OPC-AD-EXPRIVATE.SEC.GOV with ESMTP/TLS/AES128-SHA; 03 Sep 2014 22:29:33  
-0400  
Received: from OPC-AD-EXMBX01.AD.SEC.GOV ([fe80::3c43:c03d:e39b:ebae]) by  
OPC-AD-EXCAS01.AD.SEC.GOV ([::1]) with mapi id 14.03.0195.001; Wed, 3 Sep  
2014 22:29:33 -0400

instituted against you by the SEC  
Thread-Topic: In the Matter of Christopher A. T. Pedras -- a proceeding has  
been instituted against you by the SEC  
Thread-Index: Ac/H50eRSKe+0D6STP2a/BUBOM7BoQ==  
Disposition-Notification-To: "Matteson, Karen L." <MattesonK@sec.gov>  
Date: Thu, 4 Sep 2014 02:29:31 +0000  
Message-ID: <958F48F66D344D4F87CAC296731169A9563B9BE2@OPC-AD-EXMBX01.AD.SEC.GOV>  
Accept-Language: en-US  
Content-Language: en-US  
X-MS-Has-Attach: yes  
X-MS-TNEF-Correlator:  
x-originating-ip: [172.30.100.145]  
Content-Type: text/plain  
MIME-Version: 1.0  
X-RCIS-Action: ALLOW

# **EXHIBIT 2**

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JS-6

**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION**

**SECURITIES AND EXCHANGE  
COMMISSION,**

**Plaintiff,**

**vs.**

**CHRISTOPHER A.T. PEDRAS (aka  
CHRIS PEDRAS aka ANTONE  
THOMAS PEDRAS); SYLVESTER  
M. GRAY II; ALICIA BRYAN;  
MAXUM GOLD BNK HOLDINGS  
LIMITED; MAXUM GOLD BNK  
HOLDINGS LLC; FMP MEDICAL  
SERVICES LIMITED; and FMP  
MEDICAL SERVICES LLC,**

**Defendants, and**

**COMPTROLLER 2013 LIMITED,**

**Relief Defendant.**

**Case No. CV 13-07932-GAF (MRWx)**

**FINAL JUDGMENT BY DEFAULT  
AGAINST DEFENDANTS  
CHRISTOPHER A.T. PEDRAS,  
ALICIA BRYAN, MAXUM GOLD  
BNK HOLDINGS LIMITED, MAXUM  
GOLD BNK HOLDINGS LLC, FMP  
MEDICAL SERVICES LIMITED,  
AND FMP MEDICAL SERVICES  
LLC, AND RELIEF DEFENDANT  
COMPTROLLER 2013 LIMITED**

1 On April 16, 2014, the Court granted the motion of Plaintiff Securities and  
2 Exchange Commission (“SEC”) for entry of a default judgment against Defendants  
3 Christopher A.T. Pedras, Alicia Bryan, Maxum Gold Bnk Holdings Limited, Maxum  
4 Gold Bnk Holdings LLC, FMP Medical Services Limited, and FMP Medical Services  
5 LLC, and Relief Defendant Comptroller 2013 Limited pursuant to Fed. R. Civ. P.  
6 55(b)(2) and Local Rule 55-1. Accordingly:

7 I.

8 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendants  
9 Christopher A.T. Pedras, Alicia Bryan, Maxum Gold Bnk Holdings Limited, Maxum  
10 Gold Bnk Holdings LLC, FMP Medical Services Limited, and FMP Medical Services  
11 LLC and their officers, agents, servants, employees, attorneys, subsidiaries and  
12 affiliates, and those persons in active concert or participation with any of them, who  
13 receive actual notice of this Final Judgment, by personal service or otherwise, and  
14 each of them, be and hereby are permanently restrained and enjoined from, directly or  
15 indirectly:

16 A. unless a registration statement is in effect as to a security, making use of  
17 any means or instruments of transportation or communication in  
18 interstate commerce or of the mails to sell such security through the use  
19 or medium of any prospectus or otherwise;

20 B. unless a registration statement is in effect as to a security, carrying or  
21 causing to be carried through the mails or in interstate commerce, by any  
22 means or instruments of transportation, any such security for the purpose  
23 of sale or for delivery after sale; or

24 C. making use of any means or instruments of transportation or  
25 communication in interstate commerce or of the mails to offer to sell or  
26 offer to buy through the use or medium of any prospectus or otherwise  
27 any security, unless a registration statement has been filed with the SEC  
28 as to such security, or while the registration statement is the subject of a

1 refusal order or stop order or (prior to the effective date of the  
2 registration statement) any public proceeding or examination under  
3 Section 8 of the Securities Act, 15 U.S.C. § 77h;  
4 in violation of Sections 5(a) and 5(c) of the Securities Act of 1933 ("Securities Act"),  
5 15 U.S.C. §§ 77e(a) & 77e(c).

6 **II.**

7 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendants  
8 Christopher A.T. Pedras, Maxum Gold Bnk Holdings Limited, Maxum Gold Bnk  
9 Holdings LLC, FMP Medical Services Limited, and FMP Medical Services LLC, and  
10 their officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and  
11 those persons in active concert or participation with any of them, who receive actual  
12 notice of this Final Judgment, by personal service or otherwise, and each of them, be  
13 and hereby are permanently restrained and enjoined from, directly or indirectly, in  
14 the offer or sale of any securities, by the use of any means or instruments of  
15 transportation or communication in interstate commerce or by use of the mails:

- 16 A. employing any device, scheme or artifice to defraud;  
17 B. obtaining money or property by means of any untrue statement of a  
18 material fact or any omission to state a material fact necessary in order to  
19 make the statements made, in light of the circumstances under which  
20 they were made, not misleading; or  
21 C. engaging in any transaction, practice, or course of business which  
22 operates or would operate as a fraud or deceit upon the purchaser;  
23 in violation of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

24 **III.**

25 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant  
26 Alicia Bryan, and her agents, servants, employees, and attorneys, and those persons  
27 in active concert or participation with any of them, who receive actual notice of this  
28 Final Judgment, by personal service or otherwise, and each of them, be and hereby

1 are permanently restrained and enjoined from, directly or indirectly, in the offer or  
2 sale of any securities, by the use of any means or instruments of transportation or  
3 communication in interstate commerce or by use of the mails, obtaining money or  
4 property by means of any untrue statement of a material fact or any omission to state  
5 a material fact necessary in order to make the statements made, in light of the  
6 circumstances under which they were made, not misleading, in violation of Section  
7 17(a)(2) of the Securities Act, 15 U.S.C. § 77q(a)(2).

8 **IV.**

9 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendants  
10 Christopher A.T. Pedras, Maxum Gold Bnk Holdings Limited, Maxum Gold Bnk  
11 Holdings LLC, FMP Medical Services Limited, and FMP Medical Services LLC and  
12 their officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and  
13 those persons in active concert or participation with any of them, who receive actual  
14 notice of this Final Judgment, by personal service or otherwise, and each of them, be  
15 and hereby are permanently restrained and enjoined from, directly or indirectly, in  
16 connection with the purchase or sale of any security, by the use of any means or  
17 instrumentality of interstate commerce, or of the mails, or of any facility of any  
18 national securities exchange:

- 19 A. employing any device, scheme or artifice to defraud;  
20 B. making any untrue statement of a material fact or omitting to state a  
21 material fact necessary in order to make the statements made, in the light  
22 of the circumstances under which they were made, not misleading; or  
23 C. engaging in any act, practice, or course of business which operates or  
24 would operate as a fraud or deceit upon any person;

25 in violation of Section 10(b) of the Securities Exchange Act of 1934 ("Exchange  
26 Act"), 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

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**V.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Alicia Bryan, and her agents, servants, employees, and attorneys, and those persons in active concert or participation with any of them, who receive actual notice of this Final Judgment, by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from, directly or indirectly, in connection with the purchase or sale of any security, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, in violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5(b) thereunder, 17 C.F.R. § 240.10b-5(b).**

**VI.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendants Christopher A.T. Pedras and Alicia Bryan, and their agents, servants, employees, and attorneys, and those persons in active concert or participation with any of them, who receive actual notice of this Final Judgment, by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from, directly or indirectly, unless they are registered with the SEC in accordance with Section 15(b) of the Exchange Act, 15 U.S.C. § 78o(b), making use of the mails, or any means or instrumentality of interstate commerce to effect any transactions in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills), in violation of Section 15(a) of the Exchange Act, 15 U.S.C. § 78o(a).**

**VII.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendants Christopher A.T. Pedras, Maxum Gold Bnk Holdings Limited, Maxum Gold Bnk**

1 Holdings LLC, FMP Medical Services Limited, and FMP Medical Services LLC, are  
2 jointly and severally liable for disgorgement of \$3,185,152, which represents profits  
3 gained in connection with the Defendants' offering of securities as alleged in the  
4 Complaint, and prejudgment interest thereon in the amount of \$31,492.64, for a total  
5 of \$3,216,644.64. Of this total of \$3,216,644.64, Defendant Alicia Bryan is liable to  
6 pay disgorgement of her ill-gotten gains totaling \$226,676, which represents her  
7 profits gained in connection with her offering of securities as alleged in the  
8 Complaint, and prejudgment interest thereon of \$2,241.22, for a total of \$228,917.22.  
9 Additionally, of the total of \$3,216,644.64, Relief Defendant Comptroller 2013  
10 Limited is liable to pay disgorgement of its ill-gotten gains totaling \$553,403.70, and  
11 prejudgment interest thereon of \$5,471.68, for a total of \$558,875.38. Defendants  
12 shall satisfy this obligation by paying \$3,216,644.64 (\$228,917.22 in the case of  
13 Alicia Bryan and \$558,875.38 in the case of Comptroller 2013 Limited) within 14  
14 days after entry of this Final Judgment by certified check, bank cashier's check, or  
15 United States postal money order payable to the Clerk of this Court, together with a  
16 cover letter identifying the Defendant as a defendant in this action; setting forth the  
17 title and civil action number of this action and the name of this Court; and specifying  
18 that payment is made pursuant to this Final Judgment. Defendant shall  
19 simultaneously transmit photocopies of such payment and letter to the SEC's counsel  
20 in this action. By making payments pursuant to this Final Judgment, the Defendants  
21 relinquish all legal and equitable right, title, and interest in such funds, and no part of  
22 the funds shall be returned to the Defendants. Pursuant to Local Rule 67-1, the Clerk  
23 shall deposit the funds into an interest bearing account. These funds, together with  
24 any funds paid by any financial institution or brokerage firm pursuant to paragraph  
25 VIII of this Final Judgment in partial satisfaction of this Final Judgment, and any  
26 interest and income earned thereon (collectively, the "Fund"), shall be held in the  
27 interest bearing account until further order of the Court. In accordance with Local  
28 Rule 67-2, the Clerk is authorized and directed, without further order of this Court, to

1 deduct from the income earned on the money in the Fund a fee not to exceed the  
2 amount prescribed by the Judicial Conference of the United States. The SEC may  
3 propose a plan to distribute the Fund subject to the Court's approval. Defendants  
4 shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C.  
5 § 1961.

6 **VIII.**

7 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that, except as  
8 otherwise ordered by this Court, the previously ordered freeze placed on all monies  
9 and assets (with an allowance for necessary and reasonable living expenses to be  
10 granted only upon good cause shown by application to the Court with notice to and  
11 an opportunity for the Commission to be heard) in all accounts at any bank, financial  
12 institution or brokerage firm, all certificates of deposit, and other funds or assets, held  
13 in the name of, for the benefit of, and/or over which account authority is held by any  
14 of Defendants Christopher A.T. Pedras, Maxum Gold Bnk Holdings Limited, Maxum  
15 Gold Bnk Holdings LLC, FMP Medical Services Limited, and FMP Medical Services  
16 LLC, and Relief Defendant Comptroller 2013 Limited or any entity affiliated with  
17 any of Defendants Christopher A.T. Pedras, Maxum Gold Bnk Holdings Limited,  
18 Maxum Gold Bnk Holdings LLC, FMP Medical Services Limited, and FMP Medical  
19 Services LLC, and Relief Defendant Comptroller 2013 Limited, remains in full force  
20 and effect, except to the extent that all funds and assets held in any such accounts  
21 shall be disgorged by the financial institution or brokerage firm holding the account  
22 in partial satisfaction of this Final Judgment, such accounts including but not limited  
23 to, the accounts set forth below:

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<b>Bank Name</b>	<b>Account Name</b>	<b>Account Number</b>
Wells Fargo Bank, N.A.	Maxum Gold Bnk Holdings LLC	██████████

1 2 3 4	Bank Name	Account Name	Account Number
5 6	Wells Fargo Bank, N.A.	Maxum Gold Bnk Holdings LLC	[REDACTED]
7 8	Wells Fargo Bank, N.A.	Maxum Gold Bnk Holdings LLC	[REDACTED]
9 10	Wells Fargo Bank, N.A.	Maxum Gold Bnk Holdings LLC	[REDACTED]
11 12	Wells Fargo Bank, N.A.	Maxum Gold Bnk Holdings LLC	[REDACTED]
13 14	Wells Fargo Bank, N.A.	FMP Medical Services LLC	[REDACTED]
15 16	Wells Fargo Bank, N.A.	FMP Medical Services LLC	[REDACTED]
17 18	Wells Fargo Bank, N.A.	FMP Medical Services LLC	[REDACTED]
19 20	Wells Fargo Bank, N.A.	FMP Medical Services LLC	[REDACTED]
21 22	Wells Fargo Bank, N.A.	FMP Medical Services LLC	[REDACTED]
23 24	Wells Fargo Bank, N.A.	FMP Medical Services LLC	[REDACTED]
25 26	ANZ (Australia and New Zealand Banking Group	Maxum Gold Bnk Holdings Limited	[REDACTED]

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Bank Name	Account Name	Account Number
Limited)		
ANZ (Australia and New Zealand Banking Group Limited)	Maxum Gold Bnk PCPT Limited	[REDACTED]
ANZ (Australia and New Zealand Banking Group Limited)	Antone Thomas Pedras	[REDACTED]
Bank of New Zealand	Maxum Gold Bnk Holdings Limited	[REDACTED]
Bank of New Zealand	Maxum Gold Bnk Holdings Limited	[REDACTED]
Bank of New Zealand	Maxum Gold Bnk Limited	[REDACTED]
Bank of New Zealand	Mr. A T Pedras Associated Business Advisors	[REDACTED]
Bank of New Zealand	Mr. A T Pedras Associated Business Advisors	[REDACTED]
Westpac New Zealand Limited	Maxum Gold Bnk Holdings Limited	[REDACTED]
Westpac New Zealand Limited	Comptroller 2013 Limited	[REDACTED]

Bank Name	Account Name	Account Number
Westpac New Zealand Limited	Mr. A T. Pedras	[REDACTED]
Westpac New Zealand Limited	Mr. A T. Pedras	[REDACTED]
Westpac New Zealand Limited	FMP Medical Services Limited	[REDACTED]
Westpac New Zealand Limited	FMP Medical Services Limited – Trust Account	[REDACTED]

**IX.**

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Pedras shall pay a third tier civil penalty in the amount of \$1,985,152 and Defendant Bryan shall pay a third tier civil penalty in the amount of \$150,000 pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3). Defendants Pedras and Bryan shall each make their required payment within 14 days after entry of this Final Judgment by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission. The payment shall be delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be accompanied by a letter identifying the respective defendant making the payment and identifying him or her as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment. A copy of the letter and payment shall be simultaneously served on counsel for the Commission in this action. Defendants shall pay post-judgment interest on any delinquent amounts

1 pursuant to 28 U.S.C. § 1961. The Commission shall remit the funds paid pursuant to  
2 this paragraph to the United States Treasury.

3 X.

4 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court  
5 shall retain jurisdiction of this matter for the purposes of enforcing the terms of this  
6 Final Judgment, and for purposes of determining any additional relief in this action.

7 XI.

8 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, there  
9 being no just reason for delay, the Clerk of the Court is hereby directed, pursuant to  
10 Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Final Judgment  
11 forthwith.



12  
13 Dated: June 9, 2014

14 HONORABLE GARY FEES  
15 UNITED STATES DISTRICT JUDGE

16 JS-6

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I hereby attest and certify on 8.22.14  
that the foregoing document is a full, true  
and correct copy of the original on file in  
my office, and in my legal custody.

CLERK U.S. DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

  
DEPUTY CLERK



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# **EXHIBIT 3**

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LINK: 62

**UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA**

**SECURITIES AND EXCHANGE  
COMMISSION,**

**Plaintiff,**

**v.**

**CHRISTOPHER A. T. PEDRAS (aka  
CHRIS PEDRAS aka ANTONE  
THOMAS PEDRAS; SYLVESTER M.  
GRAY II; ALICIA BRYAN; MAXUM  
GOLD BNK HOLDINGS LIMITED;  
MAXUM GOLD BNK HOLDINGS  
LLC; FMP MEDICAL SERVICES  
LIMITED; and FMP MEDICAL  
SERVICES LLC,**

**Defendants, and**

**COMPTROLLER 2013 LIMITED**

**Relief Defendant.**

**Case No. CV 13-7932 GAF (MRWx)**

**MEMORANDUM & ORDER  
REGARDING MOTION FOR  
DEFAULT JUDGMENT**

**I.**

**INTRODUCTION**

**Plaintiff, the Securities and Exchange Commission (the "SEC" or "Plaintiff"),  
seeks entry of default judgment pursuant to Federal Rule of Civil Procedure 55(b)(2)**

1 against Defendants Christopher A. T. Pedras ("Pedras"), Alicia Bryan ("Bryan"),  
2 Maxum Gold Bnk Holdings Limited ("Maxum Ltd."), Maxum Gold Bnk Holdings LLC  
3 ("Maxum LLC"), FMP Medical Services Limited ("FMP Ltd."), and FMP Medical  
4 Services LLC ("FMP LLC"), and Relief Defendant Comptroller 2013 Limited  
5 ("Comptroller Ltd.") (collectively, "Defaulting Defendants"). (Docket No. 62 [Not. of  
6 Motion ("Not.")] Sylvester M. Gray II ("Gray"), also named as a Defendant, has  
7 responded to the complaint and is therefore not included in Plaintiff's motion.

8 The SEC alleges that all Defaulting Defendants, other than Comptroller Ltd.,  
9 have violated: (1) the security registration provisions of Sections 5(a) and 5(c) of the  
10 Securities Act of 1933 (the "Securities Act"); (2) the antifraud provisions of Section  
11 17(a) of the same Act; and (3) Section 10(b) of the Securities Exchange Act of 1934  
12 (the "Exchange Act"), and the corresponding Rule 10b-5, 17 C.F.R. § 240.10b-5.  
13 (Docket No. 63 [Mem. in Support of Default ("Mem.")] at 1; Docket No. 1 [Complaint  
14 ("Compl.")] ¶¶ 81-92.) Additionally, Plaintiff alleges that Defendants Pedras and  
15 Bryan have violated Section 15(a) of the Exchange Act by using interstate commerce to  
16 effect transactions in securities without being registered with the SEC. (Mem. at 1;  
17 Compl. ¶¶ 93-95.)

18 Plaintiff seeks entry of a judgment: (1) enjoining all Defaulting Defendants  
19 other than Comptroller Ltd. from violating Sections 5(a) and 5(c) of the Securities Act;  
20 (2) enjoining all Defaulting Defendants other than Comptroller Ltd. from violating  
21 Section 17(a) of the Securities Act and Rule 10b-5 thereunder; and (3) enjoining Pedras  
22 and Bryan from violating Section 15(a) of the Exchange Act. (Mem. at 1.)  
23 Additionally, Plaintiff asks for a judgment against Pedras, Maxum Ltd., Maxum LLC,  
24 FMP Ltd., and FMP LLC, holding them jointly and severally liable for \$3,185,152 in  
25 ill-gotten gains, plus \$31,492.64 in prejudgment interest, for a total of \$3,216,644.64.  
26 (Id. at 2.) Plaintiff also asks that Comptroller Ltd. be found jointly and severally liable  
27 for a portion of that total: \$553,403.70, plus \$5,471.68 in prejudgment interest, for a  
28 subtotal of \$558,875.38. (Id.; Docket No. 71 [Suppl. Longo Decl.] ¶ 8.) And Plaintiff

1 asks that the Court order Bryan to disgorge \$226,676 in ill-gotten gains—another  
2 portion of the total amount—along with \$2,241.22 in prejudgment interest, for a  
3 subtotal of \$228,917.22. (Mem. at 2.) Finally, Plaintiff asks for third-tier civil penalties  
4 against both Pedras and Bryan under Section 20(d) of the Securities Act and Section  
5 21(d)(3) of the Exchange Act. (*Id.*) This penalty would leave Pedras with an additional  
6 liability of \$1,985,152, and Bryan with an additional liability of \$150,000. (*Id.*)

7 After examining Plaintiff's relevant filings, the Court concludes that Plaintiff is  
8 entitled to default judgment because it has satisfied all of the relevant procedural  
9 requirements, has pleaded sufficient facts in its complaint to justify entry of default  
10 judgment, seeks remedies the Court deems proper, and has shown that it is entitled to  
11 relief. Accordingly, Plaintiff's motion for default judgment is **GRANTED** for the  
12 reasons and on the terms set forth below.

## 13 II.

### 14 BACKGROUND

15 The following facts are those alleged in Plaintiff's complaint and supported by  
16 evidence produced by Plaintiff in these proceedings.

#### 17 A. DEFENDANTS' ACTIONS

18 Beginning in July 2010, Defendants offered and sold unregistered securities  
19 based on materially false representations and omissions. (Compl. ¶ 4.) In doing so,  
20 they raised over \$5.6 million from more than 50 investors in the United States. (*Id.*)

21 Defendants Pedras and Gray<sup>1</sup> were business partners. (*Id.*) Together with  
22 Defendant Bryan, their lead sales representative, they falsely represented the nature of  
23 investments in two successive phases. (*Id.*) First, they pitched a "Maxum Gold Trade  
24 Program" to investors, describing it as a "low risk" investment with returns ranging  
25 between four and eight percent per month. (*Id.* ¶ 5.) The securities offered as an  
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27  
28 <sup>1</sup>Gray is the only Defendant to have filed an answer to Plaintiff's complaint, and is therefore not one of the targets of the current motion. His alleged role is described only to provide factual context.

1 investment in this program took the form of investment contracts issued by Defendants  
2 Maxum Ltd. and Maxum LLC. (Id.)

3 However, the investment was nothing more than a Ponzi scheme. (Id. ¶ 7.)  
4 Eventually, when they began having difficulty making their promised payouts on the  
5 Maxum Gold Trade Program, Pedras, Gray, and Bryan changed their pitch. (Id. ¶ 6.)  
6 They began offering the “FMP Renal Program” to investors who had already bought in  
7 to the Maxum Program. (Id.)

8 The FMP Renal Program purported to offer investors the opportunity to back  
9 kidney dialysis clinics in New Zealand. (Id.) By signing on to this Program, victims  
10 were told that they could increase the value of their Maxum Program investments by  
11 80% overnight. (Id.) They were told to wire money to Defendant Comptroller Ltd.; the  
12 money would then be used to purchase securities issued by Defendants FMP Ltd. and  
13 FMP LLC. (Id.)

14 None of Defendants’ investment promises were true. (Id. ¶ 7.) Neither the  
15 Maxum Gold Trade Program nor the FMP Renal Program are real. (Id.) Of the \$5.6  
16 million they raised, Defendants have returned \$2.4 million as “investment returns,” and  
17 paid over \$1.2 million in commissions to a small network of sales agents. (Id.)  
18 Defendant Pedras has appropriated nearly \$2 million in cash, purchases, and transfers to  
19 his related companies. (Id.) Neither the instruments associated with the Maxum Gold  
20 Trade Program, nor the instruments associated with the FMP Renal Program, were  
21 registered with the SEC. (Id. ¶ 8.)

22 **B. THE PRESENT ACTION**

23 The SEC filed this action on October 28, 2013. (Compl.) It then served the  
24 complaint on each of the Defendants. Defendant Pedras was served via email, as  
25 authorized by this Court, on October 30, 2013. (Docket No. 35.) He was then served  
26 personally on November 4, 2013. (Docket No. 25.) Defendant Bryan was served  
27 personally on October 31, 2013. (Docket No. 31.) Defendant Maxum Ltd. was served  
28 via email, as authorized by this Court, on October 30, 2013, by service upon Pedras.

1 (Docket No. 32.) It was then served by personal service on its registered agent on  
2 November 4, 2013. (Docket No. 37.) Maxum LLC was served by personal service on  
3 its registered agent on October 31, 2013. (Docket No. 29.) FMP Ltd. was served via  
4 email, as authorized by this Court, on October 30, 2013, by service upon Pedras.

5 (Docket No. 33.) It was then served by personal service on its registered agent on  
6 November 5, 2013. (Docket No. 36.) FMP LLC was served by personal service on its  
7 registered agent on October 31, 2013. (Docket No. 30.) Comptroller Ltd. was served  
8 via email, as authorized by this Court, on October 30, 2013, by service upon Pedras.

9 (Docket No. 26.) It was then served by personal service on its registered agent on  
10 November 4, 2013. (Id.)

11 Defaulting Defendants have never responded to the complaint. Accordingly, at  
12 Plaintiff's request, the Court Clerk entered default against each of them on December  
13 20, 2013. (Docket No. 59 [Clerk's Default].) Plaintiff then served the notice of entry of  
14 default on each Defaulting Defendant. (Docket No. 61.) Plaintiff filed the present  
15 motion for default judgment on February 21, 2014. (Not.)

### 16 III.

### 17 DISCUSSION

#### 18 A. PROCEDURAL REQUIREMENTS FOR ENTRY OF DEFAULT JUDGMENT

19 Rule 55(b) of the Federal Rules of Civil Procedure permits a court-ordered  
20 default judgment following the entry of default by the Court Clerk under Rule 55(a).  
21 Elektra Entm't Grp., Inc. v. Bryant, 2004 WL 783123, at \*1 (C.D. Cal. Feb. 13, 2004)  
22 (citing Kloeping v. Fireman's Fund, 1996 WL 75314, at \*2 (N.D. Cal. Feb. 13, 1996)).  
23 Local Rule 55-1 requires that motions for default judgment set forth the following  
24 information: (1) when and against what party default was entered; (2) identification of  
25 the pleading as to which default was entered; (3) whether the defaulting party is an  
26 infant or incompetent person, and if so, whether that person is adequately represented;

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1 (4) that the Servicemembers Civil Relief Act,<sup>2</sup> 50 App. U.S.C. § 521, does not apply;  
2 and (5) that notice of the motion has been served on the defaulting party, if required by  
3 Federal Rule of Civil Procedure 55(b)(2). C.D. Cal. R. 55-1.

4 Here, Plaintiff has satisfied all applicable procedural requirements. The Court  
5 Clerk entered default against the Defaulting Defendants on December 20, 2013.  
6 (Clerk's Default; Mem. at 2.) The default was entered as to the complaint, which is the  
7 only pleading filed so far in this case. (*Id.*) Plaintiff has also established that  
8 Defaulting Defendants are not infants, incompetent persons, or subject to the  
9 Servicemembers Civil Relief Act. (Mem. at 5 n.2.) Finally, Plaintiff has served notice  
10 of the motion on the Defaulting Defendants. (Not. at 2-3.) Because the procedural  
11 requirements for entry of default judgment are met, the Court proceeds to weigh the  
12 merits of Plaintiff's motion.

13 **B. FACTORS USED TO DETERMINE WHETHER TO GRANT DEFAULT JUDGMENTS**

14 A district court has discretion to grant or deny a motion for default judgment.  
15 Aldabe v. Aldabe, 616 F.2d 1089, 1092 (9th Cir. 1980). Thus, a defendant's default  
16 alone does not entitle a plaintiff to a court-ordered judgment. The Ninth Circuit has  
17 held that a district court must examine the following factors when determining whether  
18 to enter a default judgment:

19 (1) the possibility of prejudice to the plaintiff, (2) the merits of plaintiff's  
20 substantive claim, (3) the sufficiency of the complaint, (4) the sum of  
21 money at stake in the action, (5) the possibility of a dispute concerning  
22 material facts, (6) whether the default was due to excusable neglect, and (7)  
23 the strong policy underlying the Federal Rules of Civil Procedure favoring  
24 decisions on the merits.

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28 <sup>2</sup>The Servicemembers Civil Relief Act was formerly known as the Soldiers' and Sailors' Civil Relief Act of 1940.

1 Eitel v. McCool, 782 F.2d 1470, 1471–72 (9th Cir. 1986) (citation omitted). “In  
2 applying this discretionary standard, default judgments are more often granted than  
3 denied.” PepsiCo, Inc. v. Triunfo-Mex, Inc., 189 F.R.D. 431, 432 (C.D. Cal. 1999).

4 On a motion for default judgment, a court must presume the truth of all factual  
5 allegations in the complaint except for those pertaining to the amount of damages.  
6 TeleVideo Sys., Inc. v. Heidenthal, 826 F.2d 915, 917–18 (9th Cir. 1987). Along with  
7 the complaint, the court may look to affidavits and declarations to determine whether  
8 default judgment is appropriate. See William W. Schwarzer et al., California Practice  
9 Guide: Federal Civil Procedure Before Trial § 6:91 (2010).

#### 10 1. POSSIBILITY OF PREJUDICE TO PLAINTIFFS

11 To satisfy the first Eitel factor, Plaintiff must show that it will face prejudice if  
12 the Court does not enter default judgment. Eitel, 782 F.2d at 1471–72. The Court  
13 borrows the standard of prejudice employed by courts when evaluating motions to set  
14 aside entry of default judgment—namely, whether a plaintiff’s ability to pursue its  
15 claim will be hindered if the application for default judgment is not granted. See TCI  
16 Group Life Ins. Plan v. Knoebber, 244 F.3d 691, 701 (9th Cir. 2001). In other words,  
17 the plaintiff must show more than mere delay resulting from a denial of its application;  
18 it must establish that it will suffer “tangible harm such as loss of evidence, increased  
19 difficulties of discovery, or greater opportunity for fraud or collusion” if the application  
20 is denied. Thompson v. Am. Home Assur. Co., 95 F.3d 429, 433–34 (6th Cir. 1996).  
21 Additionally, courts have held that prejudice is shown where a plaintiff has no “other  
22 recourse for recovery” against the defendant. PepsiCo, Inc. v. Cal. Sec. Cans, 238 F.  
23 Supp. 2d 1172, 1177 (C.D. Cal. 2002).

24 The Court concludes that Plaintiff would suffer significant prejudice if the Court  
25 were to deny its motion. Notably, Plaintiff will be left without other recourse for  
26 recovery. See id. If default judgment were not entered, Plaintiff would have no way to  
27 enforce the Securities Act or the Exchange Act against Defaulting Defendants. They  
28 would effectively be permitted to violate both without liability or consequence.

1 Because Plaintiff would suffer substantial prejudice if default judgment were not  
2 entered, the first Eitel factor weighs in favor of granting default judgment.

3 **2. SUBSTANTIVE MERITS AND SUFFICIENCY OF THE COMPLAINT**

4 The second and third Eitel factors have been interpreted by courts to require a  
5 plaintiff to state a claim upon which he or she may recover. Id. at 1175. This means  
6 simply that the Court must examine the complaint to determine whether Plaintiff has  
7 adequately pleaded its claims.

8 Plaintiff asserts claims under: (1) the security registration provisions of  
9 Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. § 77e(a), (c); (2) the antifraud  
10 provisions of Section 17(a) of the same Act, 15 U.S.C. § 77q(a); (3) Section 10(b) of the  
11 Exchange Act, 15 U.S.C. § 78j(b), and the corresponding Rule 10b-5, 17 C.F.R. §  
12 240.10b-5; and (4) Section 15(a) of the Exchange Act, 15 U.S.C. § 78o(a). (Compl. ¶¶  
13 81–95.) The Court addresses these claims below.

14 ***a. Sections 5(a) and 5(c) of the Securities Act***

15 The registration provisions of 15 U.S.C. §§ 77e(a), and (c) prohibit the  
16 unregistered offer or sale of securities in interstate commerce. See Anderson v.  
17 Aurotek, 774 F.2d 927, 929 (9th Cir. 1985); SEC v. Murphy, 626 F.2d 633, 649 (9th  
18 Cir. 1980). In order to establish a violation of Section 5, the SEC must demonstrate  
19 that: (1) defendants offered or sold securities; (2) no registration was in effect or filed  
20 with the SEC for those securities; and (3) interstate transportation or communication or  
21 the mails were used in connection with the offer an sale. See SEC v. Phan, 500 F.3d  
22 895, 902 (9th Cir. 2007). A defendant may rebut this showing by demonstrating that an  
23 exemption to the registration requirement applies. SEC v. Platforms Wireless Int’l  
24 Corp., 617 F.3d 1072, 1086 (9th Cir. 2010) (citing SEC v. Murphy, 626 F.2d at 641.)

25 A security includes “any . . . stock [or] investment contract.” 15 U.S.C. §  
26 77b(a)(1). In this case, the conduct at issue consisted of the sale of investment contracts  
27 and stocks—both of which are securities. (Compl. ¶¶ 5, 6.) In the Maxum Gold Trade  
28 Program, Pedras and Bryan sold investment contracts issued by Maxum Ltd. and

1 Maxum LLC; in the FMP Renal Program, Pedras and Bryan offered stock in, and  
2 cooperated with, FMP Ltd. and FMP LLC. (*Id.*) Accordingly, Pedras, Bryan, Maxum  
3 Ltd., and Maxum LLC engaged in the sale or offer of securities for the Maxum Gold  
4 Trade Program. Pedras, Bryan, FMP Ltd., and FMP LLC engaged in the sale or offer of  
5 securities for the FMP Renal Program.

6 Neither the Maxum investment contracts nor the FMP stocks were registered  
7 with the SEC. (*Id.* ¶ 8.) And the securities were offered for sale to investors throughout  
8 the United States, via telephone calls and email, thereby making use of “interstate . . .  
9 communication or the mails.” (*Id.* ¶¶ 40, 61.)

10 In light of these allegations, Plaintiff has stated an adequate claim for violation  
11 of Sections 5(a) and 5(c) against all Defaulting Defendants.

12 *b. Section 17(a) of the Securities Act, Section 10(b) of the Exchange*  
13 *Act, and Rule 10b-5*

14 Section 17 of the Securities Act and Section 10 of the Exchange Act both  
15 prohibit fraudulent conduct or practices in connection with the offer or sale of  
16 securities. See *SEC v. Dain Rauscher, Inc.*, 254 F.3d 852, 855 (9th Cir. 2001); 15  
17 U.S.C. §§ 77q(a) and 78j(b); 17 C.F.R. 21 240.10b-5. Violations of these provisions  
18 occur when a defendant’s omissions and misstatements, made in connection with the  
19 offer or sale of securities, concern material facts. *Basic Inc. v. Levinson*, 485 U.S. 224,  
20 231–232 (1988). A fact is material if there is a substantial likelihood that a reasonable  
21 investor would consider it important in making an investment decision. *TSC Indus.,*  
22 *Inc. v. Northway, Inc.*, 426 U.S. 438, 449 (1976). Liability arises not only from  
23 affirmative representations, but also from failures to disclose material information.  
24 *Dain Rauscher*, 254 F.3d at 855–856. The antifraud provisions impose “a duty to  
25 disclose material facts that are necessary to make disclosed statements, whether  
26 mandatory or volunteered, not misleading.” *SEC v. Fehn*, 97 F.3d 1276, 1290 n.12.  
27 (9th Cir. 1996).

28

1 In this case, Defaulting Defendants made several affirmative misrepresentations.  
2 Among other things, Pedras and Bryan indicated that money would be used for  
3 investments, when instead it was diverted directly to Pedras' pockets. (Compl. ¶ 7.) All  
4 Defaulting Defendants indicated that the respective investment programs had a  
5 guaranteed rate of return, when in reality there were no investment programs  
6 whatsoever. (*Id.* ¶¶ 5–7.)

7 Finally, violations of Section 17(a)(1) of the Securities Act, Section 10(b) of the  
8 Exchange Act, and Rule 10b-5 thereunder, only transpire when defendants act with  
9 scienter. *Aaron v. SEC*, 446 U.S. 680, 691 (1980). In the Ninth Circuit, scienter may  
10 be established by a showing of either “deliberate recklessness” or “conscious  
11 recklessness.” *Dain Rauscher*, 254 F.3d at 856. Reckless conduct “consists of a highly  
12 unreasonable act, or omission, that is an extreme departure from the standards of  
13 ordinary care, and which presents a danger of misleading buyers or sellers that is either  
14 known to the defendant or is so obvious that the actor must have been aware of it.” *Id.*

15 Defendants Pedras and Bryan each knew that they were using false offering and  
16 marketing materials to solicit investors. (Compl. ¶¶ 48–52, 64–60, 70–75.) Likewise,  
17 by offering investment contracts and stocks based on non-existent investment strategies  
18 or projects, Maxum Ltd., Maxum LLC, FMP Ltd., and FMP LLC, knew that false  
19 offering and marketing materials were being used to solicit investors. (*Id.*) Neither the  
20 Maxum Gold Trade Program nor the FMP Renal Program offered any legitimate returns  
21 on investment, let alone the promised market-beating percentages. (*Id.* ¶ 7.)

22 In light of these facts, Plaintiff has stated an adequate claim against all  
23 Defaulting Defendants under Section 17(a) of the Securities Act, Section 10(b) of the  
24 Exchange Act, and Rule 10b-5.

25 *c. Section 15(a) of the Exchange Act*

26 Section 15(a) of the Exchange Act requires brokers or dealers who “effect any  
27 transactions in, or induce or attempt to induce the purchase or sale of, any security” to  
28 be registered with the SEC or, if the broker-dealer is a natural person, to be associated

1 with a registered broker or dealer that is not a natural person. 15 U.S.C. § 78o(a); SEC  
2 v. Homestead Properties, L.P., 2009 WL 5173685 at \*4–5 (C.D. Cal. Dec. 18, 2009).

3 All the SEC must demonstrate in order to have pled its claim is that an  
4 unregistered person “engaged in the business of effecting transactions in securities for  
5 the account of others.” 15 U.S.C. § 78c(a)(4); SEC v. Interlink Data Network, 1993  
6 U.S. Dist. LEXIS 20163 at \*46 (C.D. Cal. Nov. 15, 1993).

7 The SEC only brings its claim under this Section against Pedras and Bryan.  
8 (Compl.) Pedras and Bryan directly solicited investors for the Maxum and FMP  
9 Programs. (Compl. ¶¶ 24, 27–28, 48.) They both recruited sales agents in order to  
10 promote the programs, and they both paid those sales agents commissions. (Id. ¶¶  
11 76–80.) Bryan even received commissions herself. (Id. ¶ 78.) Neither is registered  
12 with the SEC, nor are they associated with a registered broker. (Id. ¶¶ 12, 14.)

13 In light of these facts, Plaintiff has stated an adequate claim against Pedras and  
14 Bryan under Section 15(a) of the Exchange Act.

15 *d. Control Person*

16 Finally, the Court notes that one individual may be held liable for another  
17 person’s violation of the Exchange Act as a “control person.” 15 U.S.C. § 78t(a). To  
18 demonstrate that this liability is appropriate, the SEC must establish: (1) a violation of  
19 the Exchange Act, and (2) that the control person directly or indirectly controlled the  
20 primary violator. SEC v. Todd, 642 F.3d 1207, 1223–24 (9th Cir. 2011). Pedras and  
21 Gray were the only directors or shareholders of Defendants Maxum Ltd., Maxum LLC,  
22 FMP Ltd., and FMP LLC. (Compl. ¶ 92.) In his capacity as one of the directors or  
23 shareholders, Pedras led Maxum Ltd., Maxum LLC, FMP Ltd., and FMP LLC to  
24 undertake the violations described above. (Id.) He may therefore be classified as a  
25 control person for violations of the Exchange Act.

26 **3. AMOUNT AT STAKE**

27 The fourth Eitel factor requires the Court to consider the amount of money at  
28 stake. Eitel, 782 F.2d at 1471–72. The Court must evaluate the amount at stake

1 because default judgments are disfavored where the amount at stake “is too large or  
2 unreasonable in light of [the] defendant’s actions.” Truong Giang Corp. v. Twinstar  
3 Tea Corp., 2007 WL 1545173, at \*12 (N.D. Cal. May 29, 2007).

4 Here, Plaintiff seeks disgorgement of \$3,185,152, plus prejudgment interest,  
5 from Pedras, Maxum Ltd., Maxum LLC, FMP Ltd., and FMP LLC. (Mem. at 13.)  
6 Additionally, Plaintiff seeks disgorgement of \$226,676, plus prejudgment interest, from  
7 Bryan. Plaintiff also seeks penalties of \$1,985,152 from Pedras and \$150,000 from  
8 Bryan. (Id.)

9 Defendants raised at least \$5.6 million from investors. Given this starting  
10 amount, the disgorgement requested and penalties sought are reasonable. This factor  
11 therefore weighs in favor of granting default judgment.

#### 12 4. POSSIBILITY OF DISPUTE

13 The fifth Eitel factor requires the Court to consider the possibility of disputes  
14 regarding material facts in the case. Eitel, 782 F.2d at 1471–72. As explained above,  
15 upon entry of default, a court must presume the truth of all well-pleaded facts in the  
16 complaint except those relating to damages. TeleVideo, 826 F.2d at 917–18.

17 Here, Plaintiff’s complaint, which the Court takes as true, alleges sufficient facts  
18 to establish its claims for relief. By failing to respond, Defaulting Defendants have  
19 failed to rebut the presumption that Plaintiff’s allegations are true. Thus, no genuine  
20 dispute exists, or is likely to exist, regarding the material facts at issue in this case. This  
21 Eitel factor therefore favors entering default judgment.

#### 22 5. POSSIBILITY OF EXCUSABLE NEGLIGENCE

23 In considering the sixth Eitel factor, the Court must account for the possibility  
24 that Defaulting Defendants’ default resulted from excusable neglect. Due process  
25 requires that all interested parties be given notice reasonably calculated to apprise them  
26 of the pendency of the action, and that they be afforded an opportunity to present their  
27 objections before a final judgment is rendered. Mullane v. Cent. Hanover Bank & Trust  
28 Co., 339 U.S. 306, 314 (1950).

1 Plaintiff served a copy of the complaint on all Defaulting Defendants. (Docket  
2 Nos. 25, 26, 29, 30, 31, 32, 33, 35, 36, 37.) Several Defendants received a copy of the  
3 complaint both via email and via personal service. (*Id.*) The Court is therefore satisfied  
4 that Defaulting Defendants have been effectively served.

5 Defaulting Defendants have had ample time to resolve this matter by filing  
6 motions or interposing an answer, but have done nothing. The Court thus concludes  
7 that their default was the result of an affirmative decision not to litigate the action rather  
8 than excusable neglect. The sixth *Eitel* factor favors entering default judgment.

9 **6. POLICY FAVORING DECISIONS ON THE MERITS**

10 The seventh *Eitel* factor requires the Court to account for the policy favoring  
11 decisions on the merits. *Eitel*, 782 F.2d at 1471–72. The very existence of Rule 55(b),  
12 however, indicates that “this preference, standing alone, is not dispositive.” *PepsiCo*,  
13 238 F. Supp. 2d at 1177 (internal quotation marks omitted) (quoting *Kloepfing*, 1996  
14 WL 75314, at \*3). Rule 55(a) permits a district court to render a judgment before  
15 adjudicating the merits of the case where the defendant fails to defend against the  
16 action. Fed. R. Civ. P. 55(a); *see also* *Schwarzer*, *supra*, § 6:102, at 6-26.

17 Here, Defaulting Defendants’ failure to answer the complaint or otherwise  
18 respond in this matter renders the Court unable to adjudicate the case on the merits.  
19 Accordingly, the policy of deciding cases on the merits does not preclude the Court  
20 from entering default judgment.

21 **7. CONCLUSION RE: EITEL FACTORS**

22 After analyzing each *Eitel* factor, the Court concludes that, on balance, the  
23 factors weigh in favor of entering default judgment against Defaulting Defendants.  
24 Accordingly, Plaintiff’s motion for entry of default judgment is **GRANTED**.

25 **C. REMEDIES**

26 The Court proceeds to assess whether Plaintiff is entitled to the remedies it seeks.  
27 District courts do not automatically presume the truth of allegations relating to damages  
28 upon entry of default; rather, the plaintiff must “prove up” damages. *Philip Morris*

1 USA, Inc. v. Castworld Prods., Inc., 219 F.R.D. 494, 501 (C.D. Cal. 2003). When  
2 determining the amount of damages to be awarded in a default judgment proceeding, a  
3 plaintiff is required to prove all damages sought in the complaint. See Geddes v. United  
4 Fin. Grp., 559 F.2d 557, 560 (9th Cir. 1977) (stating the general rule of law that  
5 allegations in the complaint are not accepted as true with regard to damages).  
6 Accordingly, the demand for relief must be specific, Fed. R. Civ. P. 8(a), and the  
7 damages sought cannot “differ in kind from, or exceed in amount, what is demanded in  
8 the pleadings.” Fed. R. Civ. P. 54(c). These rules limit the scope of relief and ensure  
9 fundamental fairness as required by due process. Schwarzer, supra, § 6:131, at 6–33.

10 A plaintiff’s burden in “proving up” damages is relatively lenient. This Court  
11 has ruled that “[i]f proximate cause is properly alleged in the complaint, it is admitted  
12 upon default.” Castworld Prods., Inc., 219 F.R.D. at 498 (citing Greyhound  
13 Exhibitgroup, Inc. v. E.L.U.L. Realty Corp., 973 F.2d 155, 159 (2d Cir. 1992)). The  
14 plaintiff need only prove that the compensation sought relates to the damages that flow  
15 naturally from the well-pleaded injuries. See id. (citation omitted). However, if the  
16 facts necessary to determine damages are not contained in the complaint or are legally  
17 insufficient, they are not established by default. See Cripps v. Life Ins. Co. of N. Am.,  
18 980 F.2d 1261, 1267 (9th Cir. 1992). Finally, damages calculation may not be “clearly  
19 erroneous” and must have some basis in declarations, testimony, deposition transcripts,  
20 or other material evidence. Swoboda v. Pala Min., Inc., 844 F.2d 654, 659 (9th Cir.  
21 1988).

22 Plaintiff requests monetary relief as follows: (1) that Pedras, Maxum Ltd.,  
23 Maxum LLC, FMP Ltd., and FMP LLC, be held jointly and severally liable for  
24 \$3,185,152 in ill-gotten gains, plus \$31,492.64 in prejudgment interest, for a total of  
25 \$3,216,644.64 (the “Total Amount”); (2) that Comptroller Ltd. be held jointly and  
26 severally liable for \$558,875.38 of the Total Amount; (3) that Bryan be held jointly and  
27  
28

1 severally liable for \$228,917.22 of the Total Amount;<sup>3</sup> (4) that third-tier penalties be  
2 imposed on Pedras for an additional \$1,985,152; and (5) that third-tier penalties be  
3 imposed on Bryan for an additional \$150,000. (Mem. at 2.)

4 Plaintiff requests injunctive relief as follows: (1) that all Defaulting Defendants  
5 other than Comptroller Ltd. be enjoined from violating Sections 5(a) and 5(c) of the  
6 Securities Act; (2) that all Defaulting Defendants other than Comptroller Ltd. be  
7 enjoined from violating Section 17(a) of the Securities Act and Rule 10b-5 thereunder;  
8 and (3) that Pedras and Bryan be enjoined from violating Section 15(a) of the Exchange  
9 Act. (Mem. at 1.)

10 The Court finds that the requested relief is warranted. The Court provides its  
11 reasoning below.

12 **1. MONETARY RELIEF**

13 “[A] district court has broad equity powers to order the disgorgement of ill-  
14 gotten gains obtained through violation of the securities laws.” SEC v. Platforms  
15 Wireless, 617 F.3d at 1096. “Disgorgement is designed to deprive a wrongdoer of  
16 unjust enrichment, and to deter others from violating securities laws by making  
17 violations unprofitable.” Id. “The amount of disgorgement should include all gains  
18 flowing from the illegal activities.” Id. This includes the total amount of proceeds  
19 raised in an offering fraud, less whatever was paid back to the investors. See SEC v. JT  
20 Wallenbrock & Assocs., 440 F.3d 1109, 1113 (9th Cir. 2006). In cases such as these,  
21 the SEC need only present evidence of a “reasonable approximation” of the defendant’s  
22 ill-gotten gains. SEC v. Platforms Wireless, 617 F.3d at 1096.

---

23  
24 <sup>3</sup>It is not entirely clear from Plaintiff’s motion that it believes Bryan’s obligation to be a subset of the Total  
25 Amount. (See Mem. at 20–21.) Plaintiff does not indicate that she should be held jointly and severally  
26 liable, and discusses Bryan’s portion of the ill-gotten gains separately from the Total Amount. (Id.)  
27 However, the numbers provided to the Court indicate that it must be so.

28 If Defendants raised \$5.6 million in investor funds, and \$2.4 million was returned to investors, roughly  
\$3.2 million would remain outstanding. (Id. at 19.) Not coincidentally, this roughly matches the Total  
Amount. But treating Bryan’s obligation as separate from the Total Amount would result in a combined  
disgorgement order of roughly \$3.4 million—\$200,000 more than would be necessary, if \$2.4 million has  
already been returned to investors.

1           Defaulting Defendants here raised at least \$5.6 million in investor funds.  
2 (Compl. ¶¶ 34–35.) Of that amount, \$2.4 million was paid back to investors. (*Id.* ¶ 34.)  
3 Sales commissions comprised a further \$1.2 million—including \$226,676 in sales  
4 commissions paid to Bryan. (*Id.*) Defendant Pedras misappropriated \$1,985,152 for his  
5 personal use. (*Id.* ¶ 35; Docket No. 73 [Suppl. Mem. in Support of Default (“Supp.”)]  
6 at 4.) Comptroller Ltd. received \$553,403.70. (Compl. ¶ 32; Mem. at 4.) A total of  
7 \$3,185,152 was never returned to investors. (Mem. at 20.)

8           Defendants Maxum Ltd., Maxum LLC, FMP Ltd., and FMP LLC, as the issuing  
9 entities for fraudulent securities—and as companies whose close relationships furthered  
10 a fraudulent scheme—are jointly and severally liable for all ill-gotten gains obtained  
11 through their scheme. See SEC v. JT Wallenbrock & Assocs., 440 F.3d 1109, 1117 (9th  
12 Cir. 2006) (“[W]here two or more individuals or entities collaborate or have a close  
13 relationship in engaging in the violations of the securities laws, they [may be] held  
14 jointly and severally liable for the disgorgement of illegally obtained proceeds.”)  
15 (quoting SEC v. First Pac. Bancorp., 142 F.3d 1186, 1191 (9th Cir. 1998)). Pedras, as a  
16 control person for all four of these companies, is likewise jointly and severally liable for  
17 the ill-gotten gains. *Id.*

18           Accordingly, Defendants Pedras, Maxum Ltd., Maxum LLC, FMP Ltd., and  
19 FMP LLC are jointly liable for the entire \$3,185,152 still outstanding and kept from  
20 investors. Because she was not a control person, Bryan’s share of this is limited to the  
21 \$226,676 she received in sales commissions. Comptroller Ltd.’s liability is limited to  
22 the \$553,403.70 it actually received.

23           Interest on the total amount outstanding is \$31,492.64. (Docket No. 64 [Longo  
24 Decl.] ¶ 5); see SEC v. Platforms Wireless, 617 F.3d at 1099 (approving an award of  
25 prejudgment interest). Bryan’s share of the interest, based on the total she will be  
26 required to disgorge, stands at \$2,241.22. (Longo Decl. ¶ 6.) Comptroller Ltd.’s share  
27 is \$5,471.68. (Suppl. Longo Decl. ¶ 8.)

28    ///

1 Adding the disgorgement amounts and prejudgment interest together, the Court  
2 hereby **ORDERS**: (1) Defendants Pedras, Maxum Ltd., Maxum LLC, FMP Ltd., and  
3 FMP LLC to pay the Total Amount of \$3,216,644.64, for which they shall be jointly  
4 and severally liable; (2) Bryan to pay \$228,917.22 of the Total Amount, for which she  
5 shall be jointly and severally liable; and (3) Comptroller Ltd. to pay \$558,875.38 of the  
6 Total Amount, for which it shall be jointly and severally liable.

7 **2. INJUNCTIVE RELIEF**

8 Plaintiff additionally seeks permanent injunctions under Section 20(b) of the  
9 Securities Act and Section 21(d)(1) of the Exchange Act. (Compl. at 19–20; Mem. at  
10 16.) It seeks to enjoin all Defaulting Defendants, other than Comptroller Ltd., from  
11 future violations of: (1) Sections 5(a), 5(c), and 17(a) of the Securities Act; (2) Section  
12 10(b) of the Exchange Act; and (3) Rule 10b-5 thereunder. (Mem. at 1, 17.) It also  
13 seeks to enjoin Pedras and Bryan from violating Section 15(a) of the Exchange Act.  
14 (*Id.*) Before such an injunction will issue, the SEC must establish that there is a  
15 reasonable likelihood of future violations. *SEC v. Murphy*, 626 F.2d at 655. “The  
16 existence of past violations may give rise to an inference that there will be future  
17 violations; and the fact that the defendant is currently complying with the securities  
18 laws does not preclude an injunction.” *Id.* (citing *SEC v. Koracorp Industries, Inc.*, 575  
19 F.2d 692, 698 (9th Cir. 1978)). In predicting the likelihood of future violations, a court  
20 must assess the totality of the circumstances surrounding the defendant and his  
21 violations; it considers factors such as (1) the degree of scienter involved; (2) the  
22 isolated or recurrent nature of the infraction; (3) the defendant’s recognition of the  
23 wrongful nature of his conduct; (4) the likelihood, because of defendant’s professional  
24 occupation, that future violations might occur; and (5) the sincerity of his assurances  
25 against future violations. *Id.* (citing *SEC v. Bonastia*, 614 F.2d 908, 912 (3d Cir.  
26 1980)). A permanent injunction may especially be proper where a violation was  
27 “founded on systemic wrongdoing rather than an isolated occurrence,” or involved a  
28 “high degree of scienter.” *SEC v. Berger*, 244 F.Supp. 2d 180, 193 (S.D.N.Y. 2001).

1           Defaulting Defendants here have committed prior violations “founded on  
2 systemic wrongdoing,” and they have not offered any assurances against future  
3 violations. Because “[t]he existence of past violations may give rise to an inference that  
4 there will be future violations,” the Court is satisfied that a permanent injunction—as  
5 described above, and covering each of the types of violations in which Defaulting  
6 Defendants engaged—would be appropriate in this case. SEC v. Murphy, 626 F.2d at  
7 655. Accordingly, Plaintiff’s requested injunctive relief is **GRANTED**.

### 8           **3. THIRD-TIER PENALTIES**

9           Finally, their violations of the Securities Act and the Exchange Act make Pedras  
10 and Bryan potentially liable for penalties under Section 20(d) and Section 21(d)(3) of  
11 each Act, respectively. 15 U.S.C. §§ 77t(d) and 78u(d)(3). Civil penalties are meant to  
12 punish wrongdoers and to deter them and others from future securities law violations.  
13 SEC v. Kenton Capital, Ltd., 69 F. Supp. 2d 1, 17 (D.D.C. 1998).

14           The two Acts provide for three tiers of penalties. The most severe type of  
15 penalty—third-tier penalties, such as those requested here—apply to violations that  
16 involve “fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory  
17 requirement,” and “directly or indirectly result[] in substantial losses or create[] a  
18 significant risk of substantial losses to other persons.” 15 U.S.C. § 77t(d)(2)(B); 15  
19 U.S.C. § 78u(d)(3)(B)(ii). These penalties may not exceed the greater of (1) \$150,000  
20 or (2) the gross amount of pecuniary gain. Id.; 17 C.F.R. § 201.1004, Table IV.

21           Civil penalties are “determined by the court in light of the facts and  
22 circumstances.” See 15 U.S.C. § 78u(d)(3)(B). In determining the amount of civil  
23 penalties, courts routinely consider the five factors established in SEC v. Murphy. See  
24 SEC v. Wilde, 2012 U.S. Dist. LEXIS 183252, at \*45 (C.D. Cal. Dec. 17, 2012); SEC  
25 v. CMKM Diamonds, 635 F. Supp. 2d 1185, 1192 (D. Nev. 2009). This is the same test  
26 described in the previous section regarding injunctions. Because it supported the  
27 imposition of a permanent injunction, this test also supports the imposition of civil  
28 penalties.



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The Court will defer entering final judgment until the claims against Defendant Gray have been resolved.

**IT IS SO ORDERED.**

DATED: April 16, 2014



Judge Gasy Allen Feess  
United States District Court

2014 APR 16 PM 4:00  
U.S. DISTRICT COURT  
DISTRICT OF COLUMBIA  
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WASHINGTON, DC 20004

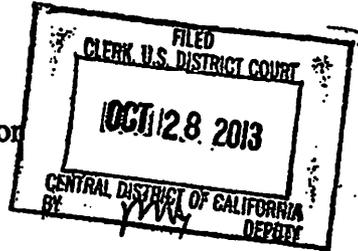


8-22-14  
I hereby attest and certify on  
that this foregoing document is a full, true  
and correct copy of the original on file in  
my office, and in my legal custody.  
CLERK U.S. DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
~~DEPUTY CLERK~~

# **EXHIBIT 4**

1 AMY JANE LONGO, Cal. Bar No. 198304  
Email: [longoa@sec.gov](mailto:longoa@sec.gov)  
2 KAREN MATTESON, Cal. Bar No. 102103  
Email: [mattesonk@sec.gov](mailto:mattesonk@sec.gov)  
3 J. CINDY ESON, Cal. Bar No. 219782  
Email: [esonjc@sec.gov](mailto:esonjc@sec.gov)

4 Attorneys for Plaintiff  
Securities and Exchange Commission  
5 Michele Wein Layne, Regional Director  
Lorraine B. Echavarria, Associate Regional Director  
6 John W. Berry, Regional Trial Counsel  
5670 Wilshire Boulevard, 11th Floor  
7 Los Angeles, California 90036  
Telephone: (323) 965-3998  
8 Facsimile: (323) 965-3908



9  
10 UNITED STATES DISTRICT COURT  
11 CENTRAL DISTRICT OF CALIFORNIA

12 SECURITIES AND EXCHANGE  
13 COMMISSION,

14 Plaintiff,

15 vs.

16 CHRISTOPHER A.T. PEDRAS (aka  
17 CHRIS PEDRAS aka ANTONE  
THOMAS PEDRAS); SYLVESTER  
18 M. GRAY II; ALICIA BRYAN;  
MAXUM GOLD BNK HOLDINGS  
19 LIMITED; MAXUM GOLD BNK  
HOLDINGS LLC; FMP MEDICAL  
20 SERVICES LIMITED; and FMP  
MEDICAL SERVICES LLC,

21 Defendants, and

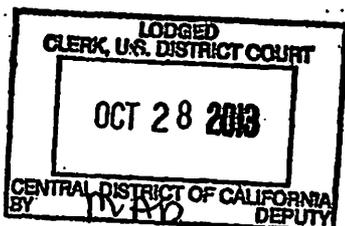
22 COMPTROLLER 2013 LIMITED,

23 Relief Defendant.  
24

12 Case No. **CV 13-07932** - DMG  
13 (JLG)

14 **PLAINTIFF SECURITIES AND  
EXCHANGE COMMISSION'S  
15 MEMORANDUM OF POINTS AND  
AUTHORITIES IN SUPPORT OF EX  
16 PARTE APPLICATION FOR A  
TEMPORARY RESTRAINING  
17 ORDER AND AN ORDER TO SHOW  
CAUSE WHY A PRELIMINARY  
18 INJUNCTION SHOULD NOT BE  
GRANTED**

19 (FILED UNDER SEAL)



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27

28 *SEC v. Hickey,*  
322 F.3d 1123 (9th Cir. 2003) .....16, 17

1 Section 5  
[15 U.S.C. § 77e].....13

2 Section 17(a)(1)  
3 [15 U.S.C. § 77q(a)(1)].....10

4 Section 17(a)(2)-(3)  
[15 U.S.C. § 77q(a)(2)-(3)].....10

5 Section 20(b)  
6 [15 U.S.C. § 77t(b)].....7

7 **Securities Exchange Act of 1934**

8 Section 3(a)(4)  
[15 U.S.C. § 78c(a)(4)].....14

9 Section 3(a)(10)  
10 [15 U.S.C. § 78c(a)(10)].....9

11 Section 10(b)  
[15 U.S.C. § 78j(b)].....2, 8, 10

12 Section 15(a)  
13 [15 U.S.C. § 78o(a)].....2, 15

14 Section 15(a)(1)  
[15 U.S.C. § 78o(3)].....14

15 Section 20(a)  
16 [15 U.S.C. § 78t(a)].....13

17 Section 21(d)  
[15 U.S.C. § 78u(d)].....7

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1 **I. INTRODUCTION**

2 Plaintiff Securities and Exchange Commission (“SEC”) brings this emergency  
3 action to stop an ongoing fraudulent scheme involving Ponzi-like payments and  
4 misappropriation. Defendants have raised more than \$5.6 million from over 50 U.S.  
5 investors through two sham investment schemes: the Maxum Gold Small Cap Trade  
6 Program (“Maxum Gold Trade Program”) and the FMP Renal Program (the “FMP  
7 Renal Program”).

8 Beginning in 2010, Defendant Christopher Pedras and his partner, Defendant  
9 Sylvester Gray—through a number of entities in the U.S. and in New Zealand and  
10 with the help of Defendant and lead sales agent Alicia Bryan—started pitching the  
11 Maxum Gold Trade Program as a “low risk” investment, where investor funds were  
12 supposedly placed in escrow to facilitate a bank trade program, with returns ranging  
13 from 4% to 8% per month.

14 In late 2012, when they were unable to continue to pay investors in this trade  
15 program, Defendants started promoting the FMP Renal Program, a new venture,  
16 allegedly to operate kidney dialysis clinics in New Zealand. Maxum Gold investors  
17 in the U.S. are now being promised that they can automatically increase the value of  
18 their investments by approximately 80% if they convert from the Maxum Gold Trade  
19 Program to the FMP Renal Program. The New Zealand government earlier this  
20 month cancelled a prospectus that Pedras had registered to sell stock in the FMP  
21 Renal Program in New Zealand, finding it likely to mislead investors, including  
22 because the dialysis business was merely a “concept in the mind” of Pedras.

23 In fact, neither the “Maxum Gold Trade Program” nor the “FMP Renal  
24 Program” are real. Rather, of the \$5.6 million raised from investors, Defendants have  
25 paid out more than \$2.4 million in investor “returns” directly out of investors’ funds;  
26 Pedras has misappropriated nearly \$2 million; and Defendants have paid more than  
27 \$1.2 million in commissions to the band of sales agents who help promote the  
28 scheme. Defendants have violated and are violating the registration provisions of

1 Section 5 of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. § 77e(a) and §  
2 77e(c); the antifraud provisions of Sections 17(a) of the Securities Act, 15 U.S.C. §  
3 77q(a) and of Section 10(b) of the Exchange Act of 1934 (“Exchange Act”), 15  
4 U.S.C. §78j(b), and Rule 10b-5 thereunder, and the broker-dealer registration  
5 requirements of Section 15(a) the Exchange Act, 15 U.S.C. § 78o(a). In order to  
6 protect existing and potential investors from further irreparable harm, the SEC applies  
7 *ex parte* for a temporary restraining order and an order to show cause regarding a  
8 preliminary injunction prohibiting future violations, an order freezing assets, an order  
9 prohibiting destruction of documents, and an accounting.<sup>1</sup> The SEC further asks the  
10 Court to order that Pedras and the New Zealand parties may be served in New  
11 Zealand by alternate means of service pursuant to Federal Rule of Civil Procedure  
12 Rule 4(f)(3), (h)(2).

13 **II. STATEMENT OF FACTS**

14 **A. Defendants’ Roles in Orchestrating the Fraud**

15 The lead perpetrator of the fraud is Defendant Pedras, a U.S. citizen who  
16 resides in Turlock, California and Auckland, New Zealand. Pedras is the founder and  
17 a director, officer and/or owner of the five U.S. and New Zealand-based entities  
18 involved in the fraud: Defendants Maxum Gold Bnk Holdings Limited and Maxum  
19 Gold Bnk Holdings LLC (collectively “Maxum Gold”); Defendants FMP Medical  
20 Services Limited and FMP Medical Services LLC (collectively, “FMP Medical”);  
21 and Relief Defendant Comptroller 2013 Limited. (See Declaration of J. Cindy Eson  
22 filed concurrently herewith (“Eson Decl.”) Exs. 1-5, 9-10). Pedras is either the  
23 exclusive signatory or one of two signatories on numerous different bank accounts in  
24 the U.S. and New Zealand opened in the names of these entities. (See Declaration of  
25

26 <sup>1</sup> Because the fraud and misappropriation are ongoing, the SEC has filed this  
27 application without notice to Defendants. Moreover, the SEC has asked the Court to  
28 file these papers under seal so that the application is not publicly available on the  
Court’s PACER docket – which would defeat the whole purpose of filing the TRO  
application without notice and give Defendants the opportunity to misappropriate  
more investor funds.

1 Dora Zaldivar filed concurrently herewith (“Zaldivar Decl.”) Exs. 3-8). Pedras has  
2 discouraged investors from cooperating with the SEC’s investigation, claiming that  
3 the SEC’s investor questionnaires are “fake”. (Eson Decl. Ex. 38 at 398-99).

4 Alongside Pedras, Defendants Gray and Bryan have played key roles in the  
5 fraud. Gray, Pedras’s partner, is a director, an owner and an account executive of  
6 Maxum Gold and a co-signatory on Maxum Gold Bnk Holdings LLC’s U.S. bank  
7 account. (Zaldivar Decl. Ex. 11).<sup>2</sup> Gray, along with Pedras, signed agreements with  
8 investors in order to open their accounts with Maxum Gold. (E.g., Eson Decl. Ex. 31  
9 at 262; Ex. 33 at 295).

10 Bryan, Maxum Gold’s lead sales agent, resides in Louisiana. Bryan served as  
11 the primary liaison between Maxum Gold and the sales agents until sometime in  
12 2013. (Eson Decl. Ex. 49 at 673-74). When subpoenaed for investigative testimony  
13 by the SEC in November 2012, Bryan refused to appear. (Eson Decl. Ex. ¶ 29; Ex.  
14 20). After subsequently being ordered to appear, Bryan invoked her Fifth  
15 Amendment right against self-incrimination for all questions pertaining to Pedras,  
16 Maxum Gold or FMP. (Eson Decl. Ex. 23 at 164-78).

17 None of the Defendants are registered with the SEC in any capacity, nor have  
18 Maxum Gold nor FMP registered any offerings with the SEC. (Eson Decl. Exs. 11-  
19 19).

20 **B. Maxum Gold’s Purported “Trade Program”**

21 Regarding the Maxum Gold Trade Program, Defendants claimed that Maxum  
22 Gold generates investor returns by serving as the intermediary between banks that  
23 want to trade with each other, but cannot legally do so directly, so instead they use  
24 Maxum Gold’s trade platform. Neither the banks nor the financial instruments  
25 supposedly traded by the banks are identified. Investors were promised returns  
26 ranging from 4% to 8% a month, for terms of between six to eight months or longer.

27  
28 <sup>2</sup> Gray refused to appear for investigative testimony when the SEC subpoenaed him  
in August 2013. (Eson Decl. ¶¶ 55-56; Exs. 44-45).

1 Investors were assured that their principal was being held in “escrow” accounts  
2 audited in accordance with New Zealand banking law. (Eson Decl. Ex.34 at 311-13,  
3 330-32; Ex. 35 at 335-40).

4 Defendants and a group of sales agents marketed the Maxum Gold Trade  
5 Program in a variety of methods, including via the internet, through periodic investor  
6 conference calls, through in-person meetings and by email. One of Maxum Gold’s  
7 two websites, registered by Pedras, [www.maxumgoldbnk.com](http://www.maxumgoldbnk.com), describes the nature  
8 of the Maxum Gold Bank Trade Program, the use of investor proceeds and the  
9 expected returns, and states that investors’ principal is retained securely in escrow  
10 accounts. (Eson Decl. Ex. 34 at 311-13, 330-32; Ex. 35 at 335-40). Throughout the  
11 relevant time period, Pedras and Bryan conducted conference calls, organized by  
12 Bryan, where Pedras repeated similar representations. (Eson Decl. Ex. 26 at 197-99;  
13 Ex. 38 at 386-87). Pedras also made similar representations at an in-person seminar  
14 he conducted in March 2012 at Paramount Studios in Los Angeles. (Eson Decl. Ex.  
15 38 at 401-03). And Pedras and Bryan routinely emailed with investors, including  
16 sending “educational” materials about the Maxum Gold Trade Program and providing  
17 investors online access to view their “account balances” and “profits” on Maxum  
18 Gold’s website. (Eson Decl. Exs. 27-30, 41-42).

19 The representations on Maxum Gold’s website and repeated during investor  
20 conference calls, in-person, and by email, regarding the intended use of investor  
21 proceeds, the expected returns, and the holding of investors’ principal in escrow  
22 accounts were false. Investors’ online “account balances” and “profits” from the  
23 Maxum Gold Trade Program were a fiction. In fact, no investor monies were  
24 invested in a bank trade program; the promised 4% to 8% returns were not generated;  
25 and investor funds were not safely held in escrow accounts. Instead, Defendants  
26 made Ponzi payments to other investors; misappropriated investor funds; and paid  
27 commissions to Maxum Gold sales agents. (Zaldivar Decl. ¶¶ 17-18; Exs. 11-12).

28

1           **C. FMP Medical's Supposed "Renal Program"**

2           Starting in late 2012, Maxum Gold's payments to investors were delayed.  
3 Defendants attributed the delay variously to technical difficulties; to Maxum Gold  
4 switching banks; and to an audit by the New Zealand government. (Eson Decl. Ex.  
5 26 at 203-05; Ex. 38 at 382-83; Ex. 43). In approximately March 2013, Defendants  
6 began encouraging Maxum Gold investors to convert to the FMP Renal Program.  
7 (Eson Decl. Ex. 26 at 209-11; Ex. 38 at 404-07). The FMP Renal Program was billed  
8 as a new venture that would be a publicly traded company (and therefore more  
9 liquid), providing kidney dialysis clinics in New Zealand. (*Id.*)

10           Pedras and Bryan marketed the FMP Renal Program by email and on investor  
11 conference calls. (Eson Decl. Ex. 26 at 209-11; Ex. 30; Ex. 38 at 404-06). Through  
12 another Maxum Gold website registered by Pedras, [www.maxumgoldbnkpcpt.com](http://www.maxumgoldbnkpcpt.com),  
13 investors were falsely told that by converting their Maxum Gold investment to shares  
14 of FMP Medical, they could increase the value of their investment instantly by  
15 approximately 80%. For each investor, the website reflected a "Comparison Account  
16 Balance from Shares Offer" with the current "value" of their Maxum Gold account,  
17 and the promised "value" if they convert to shares of FMP. The website also  
18 contained a link to FMP Medical's website, where investors could register to  
19 purchase shares: [www.fmpmed.co.nz](http://www.fmpmed.co.nz). (Eson Decl. Ex. 46 at 452-54, 473-75).  
20 Defendants' sales agents communicated the same information to Maxum Gold  
21 investors by email, juxtaposing their purported "current balance" and the balance if  
22 they convert to shares of FMP Medical. (Eson Decl. Exs. 50-51).

23           On August 26, 2013, Pedras registered an Investment Statement and Prospectus  
24 with the New Zealand Registrar of Companies, amended on October 3, 2013 (the  
25 "FMP Medical Prospectus"). (Eson Decl. Exs. 6-7). On October 15, 2013, the New  
26 Zealand Financial Markets Authority ("NZFMA") issued two orders, cancelling the  
27 registration for failure to comply with New Zealand law and prohibiting stock from  
28 being sold pursuant to the Prospectus in New Zealand, finding that the FMP Medical

1 Prospectus presented a danger of misleading investors, as merely a “concept” in the  
2 mind of Pedras. (Eson Decl. Ex. 8). The NZFMA found, among other things, that:

3 [T]he positive statements about work undertaken to  
4 investigate this venture are misleading by omitting to  
5 include information provided to FMA, namely that the  
6 research resides only in the director’s head, that there is no  
7 retrievable correspondence or documentation to show for  
8 the claimed 18 months of feasibility planning, site  
9 identification has not been undertaken, and the claimed  
10 negotiations have not been documented.... In view of the  
11 apparent lack of any serious planning... we do not  
12 consider there is any reasonable basis to estimate that  
13 operations can commence within 12 months, making this  
14 statement likely to mislead investors. (Eson Decl. Ex. 8 at  
15 120-26).

16 The representations on Maxum Gold’s website and repeated during investor  
17 conference calls and by email, regarding the intended use of investor proceeds, the  
18 expected returns, and the expected liquidity of shares of FMP Medical were false.  
19 The “comparison account balances” for converting to the FMP Renal Program were a  
20 fiction, based as they were on phony Maxum Gold Trade Program balances. In fact,  
21 no investor monies were invested in a kidney dialysis clinics; conversion to FMP  
22 Medical would not instantaneously increase investors’ value by 80%; and FMP  
23 Medical shares were not liquid nor publicly traded. Instead, Defendants made Ponzi-  
24 like payments to other investors; misappropriated investor funds; and paid  
25 commissions to their sales agents. (Zaldivar Decl. ¶¶ 17-18; Exs. 11-12).

26 **D. Defendants’ Ponzi Payments and Misappropriation of Investor**  
27 **Funds**

28 Instead of investing in a bank trade program or in renal dialysis clinics, as they

1 told investors, Defendants used the funds to pay existing investors and sales agents,  
2 and misappropriated investor funds for Pedras's personal use or benefit. Of the  
3 approximately \$5.6 million raised from U.S. investors: (1) approximately \$2.4  
4 million has been paid to investors; (2) approximately \$1.2 million has been paid as  
5 sales commissions (including at least \$215,900 to Bryan, from which she, in part,  
6 paid other sales agents' commissions, and \$14,110 to Gray); and, (3) of the  
7 remainder, Pedras has misappropriated for his personal use at least \$1.99 million,  
8 including: a) \$1.4 million in cash withdrawals and transfers to his own accounts; (b)  
9 \$217,274 in transfers to Pedras-related entities or Pedras's relatives; and (c) \$337,889  
10 in retail purchases, including, among other expenses, \$131,074.01 on cars and car-  
11 related expenses, \$99,424.05 on other retail expenditures, and \$52,970 on travel and  
12 lodging. (Zaldivar Decl. ¶¶ 17-18; Exs. 11-12).

13 **III. ARGUMENT**

14 A temporary restraining order, asset freeze and receiver are needed here  
15 because the SEC has established a prima facie case that Defendants have committed  
16 securities fraud, and has presented sufficient evidence that they continue to dissipate  
17 assets.

18 **A. The Standard for a Preliminary Injunction Is Different In SEC**  
19 **Enforcement Actions**

20 As a threshold matter, the standard for obtaining emergency injunctive relief is  
21 different in a SEC enforcement action than in a regular civil action involving private  
22 parties. Section 20(b) of the Securities Act and Section 21(d) of the Exchange Act  
23 specifically provide that the SEC may, upon a proper showing, obtain a temporary  
24 restraining order without a bond. *See* 15 U.S.C. § 77t(b); 15 U.S.C. § 78u(d); *SEC v.*  
25 *Wencke*, 622 F.2d 1363, 1375 (9th Cir. 1980) (SEC enforcement actions do not  
26 require a bond). The SEC faces a lower burden because it appears before this Court  
27 "not as an ordinary litigant, but as a statutory guardian charged with safeguarding the  
28 public interest in enforcing the securities laws." *SEC v. Management Dynamics, Inc.*,

1 515 F.2d 801, 808 (2d Cir. 1975); *see also FSLIC v. Sahmi*, 868 F.2d 1096, 1097 (9th  
2 Cir. 1989).

3 If the government can show a probability of success on the merits, courts  
4 presume irreparable injury when injunctive relief is sought in enforcement actions.  
5 *See United States v. Nutri-Cology, Inc.*, 982 F.2d 394, 398 (9th Cir. 1992) (“[i]n  
6 statutory enforcement cases ... passage of the statute is itself an implied finding by  
7 Congress that violations will harm the public”). Therefore, the SEC need only  
8 demonstrate two things: (1) a *prima facie* case that a violation of the securities laws  
9 has occurred and (2) a reasonable likelihood that the violation will be repeated. *See*  
10 *SEC v. United Fin. Group, Inc.*, 474 F.2d 354, 358-59 (9th Cir. 1973); *SEC v. Unique*  
11 *Fin. Concepts, Inc.*, 196 F.3d 1195, 1199 n.2 (11th Cir. 1999); *SEC v. Schooler*, 2012  
12 U.S. Dist. LEXIS 144777, at \*4 (S.D. Cal. Oct. 5, 2012).

13 The SEC has satisfied this two-prong standard, and so a temporary injunction  
14 of Defendants’ conduct is warranted (*see infra*, Sections III.B and III.C), and the SEC  
15 is also entitled to ancillary relief (*see infra*, Section III.D).

16 **B. The SEC Has Made a Prima Facie Showing That Defendants Are**  
17 **Violating the Federal Securities Laws**

18 **1. Defendants are violating the antifraud provisions of Section**  
19 **17(a), Section 10(b) and Rule 10b-5**

20 Section 17(a) prohibits fraud in the offer or sale of securities, while Section  
21 10(b) and Rule 10b-5 thereunder prohibit fraud in connection with the purchase or  
22 sale of any security. *See* 15 U.S.C. § 77q(a), 15 U.S.C. § 78j(b), 17 C.F.R. §  
23 240.10b-5; *SEC v. Dain Rauscher, Inc.*, 254 F.3d 852, 855 (9th Cir. 2001). The SEC  
24 has established a prima facie case that Defendants have violated these antifraud  
25 provisions by (1) making material misrepresentations and omissions, and (2)  
26 engaging in a scheme to defraud investors.

27 **a. Defendants have made material misrepresentations and**  
28 **omissions in connection with the offerings**

1 To establish a *prima facie* case of misrepresentations and omissions under  
2 Section 17(a), Section 10(b) and Rule 10b-5, the SEC must establish that: (1) a  
3 material misrepresentation or omission was made, (2) in connection with the  
4 purchase, offer or sale of a security, (3) with scienter and (4) in interstate commerce.  
5 *SEC v. Platforms Wireless*, 617 F.3d 1072, 1092 (9th Cir. 2010); *SEC v. Rana*  
6 *Research, Inc.*, 8 F.3d 1358, 1364 (9th Cir. 1993); *Basic Inc. v. Levinson*, 485 U.S.  
7 224, 231-32 (1988). These elements are satisfied here.

8 (i) **Investments in the Maxum Gold Trade Program**  
9 **and the FMP Renal Program are securities.**

10 As a threshold matter, the investment contracts for the Maxum Gold Trade  
11 Program are securities under the Supreme Court's definition in *SEC v. W.J. Howey*  
12 *Co.*, 328 U.S. 293, 298-99 (1946) (investment contracts are securities where they  
13 feature: (1) the investment of money; (2) in a common enterprise; (3) with an  
14 expectation of profits to be derived solely from the efforts of the promoter or a third  
15 party). Maxum Gold investors sent their money in to Maxum Gold, supposedly to be  
16 pooled with other investors' funds for a bank trade program, run by Pedras, Gray and  
17 Maxum Gold.

18 Likewise, the stock offered to investors through the FMP Renal Program is by  
19 definition a security under both the Securities Act and the Exchange Act. *See* 15  
20 U.S.C. § 77b(a)(1); 15 U.S.C. § 78c(a)(10).

21 (ii) **Defendants made misleading statements and**  
22 **omissions to investors**

23 Liability for securities fraud can arise from affirmative misstatements as well  
24 as failure to disclose material information. *See SEC v. Dain Rauscher*, 254 F.3d at  
25 855-56. Both are present here. Defendants represented the intended use of investor  
26 proceeds: namely, that investor funds would be invested in a bank trade program (for  
27 the Maxum Gold Trade Program) and in renal dialysis clinics (for the FMP Renal  
28 Program). Instead, Defendants either misappropriated those funds or used them to

1 make Ponzi-like payments to pre-existing investors or pay commissions to sales  
2 agents. As to the Maxum Gold Trade Program, Defendants falsely represented that it  
3 was a "low risk" investment where investors' funds were in some form of "escrow"  
4 account, and promised returns of 4% to 8% a month. As to the FMP Renal Program,  
5 Defendants falsely represented that investors could instantly increase the value of  
6 their investments by approximately 80% by converting their investments in Maxum  
7 Gold to shares of FMP Medical. Meanwhile, Defendants portrayed fictitious online  
8 "account" and "profit" balances for both programs on Maxum Gold's website and  
9 communicated them by email, concealing that Defendants had depleted investors'  
10 funds to pay other investors, to pay sales commissions, and for Pedras's personal use.

11 **(iii) Defendants' misrepresentations and omissions**  
12 **were material**

13 For purposes of securities fraud, a fact is material if there is a substantial  
14 likelihood that a reasonable investor would consider it important in making a  
15 decision, because the fact would significantly alter the "total mix" of available  
16 information. *Basic*, 485 U.S. at 232; *TSC Indus. v. Northway, Inc.*, 426 U.S. 438  
17 (1976).

18 Here, Defendants' misrepresentations and omissions are central to the  
19 investments themselves. Any reasonable investor would have considered it important  
20 to their investment decision to know that the money they invested was not being  
21 deployed in bank trading or renal dialysis clinics, but instead was being used to pay  
22 other investors or sales agents, or diverted to Pedras, Bryan and Gray. A reasonable  
23 investor would want to know that his or her "account" and "profit" balance was  
24 fictitious and that the promised returns would not come to pass. These  
25 representations and omissions are material because they address the very purpose of  
26 the investment and the use of investment proceeds, which reasonable investors  
27 consider important in deciding whether to invest.

28

1 (iv) Defendants acted with scienter

2 Violations of Section 17(a)(1) of the Securities Act and Section 10(b) of the  
3 Exchange Act and Rule 10b-5 thereunder require a showing of scienter, while  
4 violations of Section 17(a)(2)-(3) of the Securities Act require a showing of  
5 negligence. *Aaron v. SEC*, 446 U.S. 680 (1980). Scienter is defined as a “mental  
6 state embracing intent to deceive, manipulate or defraud.” *Ernst & Ernst v.*  
7 *Hochfelder*, 425 U.S. 185, 193 n.12 (1976). In the Ninth Circuit, scienter may be  
8 established by a showing of either “deliberate recklessness” or “conscious  
9 recklessness”. *SEC v. Platforms Wireless Int’l Corp.*, 617 F.3d 1072, 1093 (9th Cir.  
10 2010).

11 Here, Defendants knew, or were reckless in not knowing, that the  
12 representations concerning the Maxum Gold Trade Program and the FMP Renal  
13 Program were false. Pedras founded and ran Maxum Gold; controlled its bank  
14 accounts; misappropriated investor funds for personal use; and knew that he was  
15 using false offering and marketing materials via the internet, during investor  
16 conferences calls, in person and by email, to solicit investors. Gray contracted with  
17 investors to open their Maxum Gold accounts; controlled at least one of Maxum  
18 Gold’s bank accounts with Pedras; and served as the account executive for Maxum  
19 Gold investors. Bryan knew that the Maxum Gold Trade Program and FMP Renal  
20 Program offering and marketing materials that she emailed to investors and that were  
21 discussed during investor conference calls she organized were false or misleading.  
22 Bryan’s invocation of her Fifth Amendment privilege against self-incrimination  
23 during her investigative testimony further contributes to an inference of her scienter.

24 Because Pedras is the sole owner and director of Maxum Gold Bnk Holdings  
25 Limited and FMP Medical Services LLC; one of three officers of Maxum Gold Bnk  
26 Holdings, LLC; the sole director and shareholder of FMP Medical Services Limited;  
27 and the sole owner and director of Comptroller 2013 Limited, his scienter is imputed  
28 to them. *SEC v. Platforms Wireless Intern. Corp.*, 559 F.Supp. 2d 1091, 1096 (S.D.

1 Cal. 2008), *aff'd.*, 617 F.3d 1072 (9th Cir. 2010), citing *SEC v. Manor Nursing Ctrs.,*  
2 *Inc.*, 458 F.2d 1082, 1089 n.3 (2d Cir. 1972).

3 (v) The fraud was made in the offer or sale, and in  
4 connection with the purchase or sale of securities,  
5 in interstate commerce

6 Defendants' fraudulent activities were clearly "in the offer or sale," or "in  
7 connection with the purchase or sale" of securities and in interstate commerce. The  
8 phrase "in connection with the purchase or sale" of a security is met when the fraud  
9 alleged "coincides with a securities transaction." *Merrill Lynch, Pierce, Fenner &*  
10 *Smith Inc., v. Dabit*, 547 U.S. 71, 85 (2006). Moreover, "in connection with"  
11 requires only that there be "deceptive practices touching" the purchase or sale of  
12 securities. *See Superintendent of Ins. v. Bankers Life & Casualty Co.*, 404 U.S. 6, 12-  
13 13 (1971); *see also SEC v. Zandford*, 535 U.S. 813, 819 (2002). These elements are  
14 clearly established here. Defendants offered and sold securities in the Maxum Gold  
15 Trade Program and the FMP Renal Program by misrepresenting material facts to lure  
16 over 50 U.S. investors, and made false statements and omissions regarding the  
17 intended use of investors' proceeds, the nature of the investments, and the expected  
18 returns.

19 **b. Defendants are engaging in a scheme to defraud**

20 The SEC has also established a *prima facie* case that Defendants engaged in a  
21 scheme to defraud. To be liable for a scheme to defraud, a defendant must have  
22 engaged in conduct that had the principal purpose and effect of creating a false  
23 appearance of fact in furtherance of the scheme. *See Simpson v. AOL Time Warner,*  
24 *Inc.*, 452 F.3d 1040, 1048 (9th Cir. 2006), *vacated on other grounds sub nom., Avis*  
25 *Budget Group Inc. v. Cal. State Teachers' Ret. System*, 552 U.S. 1162 (2008). Here,  
26 separate and apart from making misrepresentations and omissions in connection with  
27 offering and selling the securities, Defendants engaged in a fraudulent scheme by  
28 misappropriating investors' funds in the Maxum Gold Trade Program and the FMP

1 Renal Program; making Ponzi-like payments to investors; and soliciting investment  
2 through false and misleading websites, investor conference calls, in-person meetings  
3 and emails. *See, e.g., SEC v. Merrill Scott & Associates, Ltd.*, 505 F. Supp. 2d 1193,  
4 1214 (D. Utah 2007) (promoter engaged in scheme to defraud investors when it failed  
5 to inform them that funds would be used for personal expenses and funding of  
6 massive Ponzi scheme).

7 **c. Pedras and Gray are also liable as “control persons”**

8 The SEC has also shown that Pedras should be liable as a control person of  
9 Maxum Gold and FMP, and Gray as a control person of Maxum Gold, under Section  
10 20(a) of the Securities Act. Under Section 20(a) a person may be held liable for  
11 another person’s violation of the Exchange Act as a “control person.” 15 U.S.C. §  
12 78t(a). To prove control person liability under the Exchange Act, the SEC must  
13 show: (1) a violation of the Exchange Act, and (2) that the control person directly or  
14 indirectly controlled the primary violator. *SEC v. Todd*, 642 F.3d 1207, 1223-1224  
15 (9th Cir. 2011); *Hollinger v. Titan Capital Corp.*, 914 F.2d 1564, 1575 (9th Cir.  
16 1990) (*en banc*) (holding it unnecessary to show “culpable participation” by control  
17 person). Here, this *prima facie* standard is easily met. As Maxum Gold’s and FMP’s  
18 principal or only director and shareholder, Pedras typifies a “control person”,  
19 exercising control of the corporate Defendants’ activities and finances, including the  
20 misstatements and omission described above. Gray was also a principal and an  
21 account executive of Maxum Gold; was a signatory to agreements with investors to  
22 open their accounts; and had control over at least one of its accounts.

23 **2. By not registering the offerings, Defendants are also violating**  
24 **Section 5 of the Securities Act**

25 The SEC has also established a *prima facie* case that Defendants have violated  
26 Sections 5(a) and 5(c) of the Securities Act. *See* 15 U.S.C. § 77e(a), (c). These  
27 provisions prohibit the unregistered offer or sale of securities in interstate commerce,  
28 unless an exemption from registration applies. *See SEC v. Eurobond Exch.*, 13 F.3d

1 1334, 1338 (9th Cir. 1994). Section 5 operates as a strict liability statute. *See SEC v.*  
2 *Holschuh*, 694 F.2d 130, 137 n.10 (9th Cir. 1982) (“good faith is not relevant to  
3 whether there has been a primary violation of the registration requirements”). A  
4 *prima facie* Section 5 violation is established by showing that: (1) defendants,  
5 directly or indirectly, offered or sold securities; (2) no registration was in effect or  
6 filed with the SEC for those securities; and (3) interstate transportation or  
7 communication or the mails were used in connection with the offer and sale. *See* 15  
8 U.S.C. §§ 77e(a), 77e(c); *SEC v. Phan*, 500 F.3d 895, 902 (9th Cir. 2007).

9 The SEC has made this showing. Defendants were offering and selling  
10 securities, the offerings were not registered with the SEC, and the securities were  
11 offered and sold through interstate commerce to more than 50 U.S. investors.  
12 Moreover, Section 5 imposes liability on persons who “directly or indirectly” offer or  
13 sell securities in unregistered, nonexempt transactions in interstate commerce. 15  
14 U.S.C. §§ 77e(a), 77e(c). Maxum Gold and FMP Medical directly offered and/or  
15 sold the offerings to investors. Pedras and Bryan are primarily liable because they  
16 directly offered and sold securities, or were a substantial factor and necessary  
17 participant in the offers and sales of securities by Maxum Gold and FMP Medical.  
18 *See SEC v. Rogers*, 790 F.2d 1450, 1456 (9th Cir. 1986); *see also SEC v. CMKM*  
19 *Diamonds*, 2013 WL 4793215 (9<sup>th</sup> Cir. Sept. 10, 2013) (for indirect seller liability, a  
20 defendant’s role in the transaction must be “significant”) (*citing SEC v. Murphy*, 626  
21 F.2d 633, 652 (9th Cir. 1980)).

22 Because the SEC has established the *prima facie* elements of a Section 5  
23 violation, the burden shifts to Defendants to prove that an exemption from  
24 registration applies. *See SEC v. Ralston Purina Co.*, 346 U.S. 119, 126 (1953); *SEC*  
25 *v. Murphy*, 626 F.2d at 633, 641 (9th Cir. 1980). None apply here.

26 **3. By acting as unregistered broker-dealers, Pedras and Bryan**  
27 **are also violating Section 15(a) of the Exchange Act**

28 The SEC has established a *prima facie* violation of Section 15(a)(1) of the

1 Exchange Act, which requires brokers or dealers who “effect any transaction in, or  
2 induce or attempt to induce the purchase or sale of, any security” through interstate  
3 commerce to be registered with the SEC, or, if the broker dealer is a natural person,  
4 to be associated with a registered broker or dealer that is not a natural person.  
5 Scierter is not required; only that the person is “engaged in the business of effecting  
6 transactions in securities for the account of others.” Exchange Act, Section 3(a)(4);  
7 *SEC v. Interlink Data Network*, 1993 U.S. Dist. LEXIS 20163 at \*46 (C.D. Cal. Nov.  
8 15, 1993). To determine if a person is engaged in the business of effecting securities  
9 transactions, courts look to whether there is “a certain regularity of participation in  
10 securities transactions at key points in the chain of distribution.” *SEC v. Hansen*,  
11 1984 U.S. Dist. LEXIS 17835, \*25 (S.D.N.Y. Apr. 6, 1984) (quoting *Massachusetts*  
12 *Financial Services, Inc. v. Securities Investor Protection Corp.* 411 F. Supp. 411, 415  
13 (D. Mass. 1976). Other relevant factors are whether the alleged broker: “1) is an  
14 employee of the issuer; 2) received commissions as opposed to a salary; 3) is selling,  
15 or previously sold, the securities of other issuers; 4) is involved in negotiations  
16 between the issuer and the investor; 5) makes valuations as to the merits of the  
17 investment or gives advice; and 6) is an active rather than passive finder of  
18 investors.” *Id.*; *SEC v. Homestead Properties, LLP*, 2009 WL 5173685 at \*\*4-5  
19 (C.D. Cal. Dec. 18, 2009).

20 Here, Pedras and Bryan directly solicited investors to invest in Maxum Gold  
21 and FMP. Bryan paid and received, and Pedras paid, sales commissions on investors’  
22 funds, and both recruited sales agents to help promote the scheme. As such, each  
23 acted as a broker dealer, without being registered with the SEC, in violation of  
24 Section 15(a).

25 **C. A Preliminary Injunction Is Needed Because Defendants’ Violations**  
26 **Are Likely To Continue Unless They Are Restrained**

27 Defendants need to be enjoined because they will continue violating the  
28 securities laws unless they are restrained. Whether a likelihood of future violations

1 exists depends upon the totality of the circumstances. *See SEC v. Murphy*, 626 F.2d  
2 at 655; *SEC v. Fehn*, 97 F.3d at 1276, 1295-96 (9<sup>th</sup> Cir. 1996). The existence of past  
3 violations may give rise to an inference that there will be future violations. *See SEC*  
4 *v. Murphy*, 626 F.2d at 655; see also *United States v. Odessa Union Warehouse Co-*  
5 *Op*, 833 F.2d 172, 176 (9<sup>th</sup> Cir. 1987). Courts also consider factors such as the  
6 degree of scienter involved, the isolated or recurrent nature of the violative conduct,  
7 the defendant's recognition of the wrongful nature of the conduct, the likelihood that,  
8 because of the defendant's occupation, future violations may occur, and the sincerity  
9 of defendant's assurances (if any) against future violations. *SEC v. Murphy*, 626 F.2d  
10 at 655.

11 Defendants' violations are egregious. They have raised over \$5.6 million from  
12 more than 50 U.S. investors, and are using those funds either to pay other investors,  
13 to pay sales commissions, or for Pedras's personal use. When they were unable to  
14 continue making payments to investors in the Maxum Gold Trade Program,  
15 Defendants switched gears and began promoting the FMP Renal Program, never  
16 revealing that both programs are no more than a sham. Defendants continue to  
17 mislead investors online and by email into believing that they have fictitious "account  
18 balances" and "profits", which will automatically grow by 80% size if investors  
19 convert to equity shares of FMP Medical (thereby relieving Defendants of their stated  
20 promises to pay investors returns of 4% to 8% per month through the Maxum Gold  
21 Trade Program). Defendant Pedras has already been precluded from selling shares of  
22 FMP Medical to New Zealand investors by the NZFMA, based in part the dialysis  
23 business being just a "concept in his mind." For these reasons, imposition of a  
24 temporary restraining order, together with an order to show cause why a preliminary  
25 injunction should not be entered, is necessary and appropriate.

26 **D. The Court Should Also Impose An Asset Freeze And Grant The**  
27 **Ancillary Relief The SEC Seeks**

28 Federal courts have inherent equitable authority to issue a variety of ancillary

1 relief in SEC injunctive actions. *See SEC v. Wencke*, 622 F.2d at 1369. These  
2 powers include the authority to freeze assets of both parties and nonparties, see *SEC*  
3 *v. Hickey*, 322 F.3d 1123, 1131 (9th Cir. 2003); *SEC v. Int'l Swiss Invs. Corp.*, 895  
4 F.2d 1272, 1276 (9th Cir. 1990).

5 **1. An asset freeze is needed to preserve investor assets**

6 Freeze orders are warranted to prevent waste and dissipation of assets and to  
7 ensure their availability for disgorgement for the benefit of victims of the fraud.  
8 *Johnson v. Couturier*, 572 F.3d 1067, 1085 (9th Cir. 2009) (“[a] party seeking an  
9 asset freeze must show a likelihood of dissipation of the claimed assets, or other  
10 inability to recover monetary damages, if relief is not granted.”); *Hickey*, 322 F.3d at  
11 1132 (affirming asset freeze over nonparty brokerage firm controlled by defendant to  
12 effectuate disgorgement order against defendant); *SEC v. Manor Nursing*, 458 F.2d at  
13 1105-06. Indeed, the Ninth Circuit has found that “the public interest in preserving  
14 the illicit proceeds [of a defendant’s fraud] for restitution to the victims is great.”  
15 *FTC v. Affordable Media, LLC*, 179 F.3d 1228, 1236 (9th Cir. 1999).

16 Here, it is likely that Defendants will continue to dissipate investors’ funds,  
17 unless Maxum Gold’s, FMP Medical’s, Comptroller 2013 Limited’s and Pedras’s  
18 assets are frozen. Because: (1) as of this month, Maxum Gold’s website continued to  
19 solicit investors; (2) Maxum Gold, FMP Medical, and Comptroller 2013 Limited  
20 received over \$624,000 from investors in 2013 (Zaldivar Decl. ¶ 17(e)); and (3)  
21 Pedras used the money in part to make Ponzi-like payments to Maxum Gold investors  
22 and misappropriated the funds, there is an ongoing threat that Defendants will  
23 misappropriate and dissipate funds from new and existing investors and imperil  
24 investors’ interests. An asset freeze would prevent such losses.

25 **2. Orders requiring an accounting and the preservation of**  
26 **documents are warranted**

27 Once the SEC has properly invoked the Court’s equity jurisdiction by seeking  
28 injunctive relief, the Court has broad equitable powers to order ancillary relief to

1 require Defendants to preserve their records and to provide an accounting. *See*  
2 *Wencke*, 622 F.2d at 1369; *SEC v. International Swiss Invest. Corp.*, 895 F.2d 1272,  
3 1276 (9th Cir. 1990) (ordering an accounting); *SEC v. Materia*, 745 F.2d 197, 200  
4 (2d Cir. 1984) (“once the equity jurisdiction of the district court properly has been  
5 invoked, the court has power to order all equitable relief necessary under the  
6 circumstances”). An order that requires the preservation of documents and an  
7 accounting will assist the SEC in identifying all of the available assets, so that funds  
8 and assets can be properly frozen and available to satisfy any future order of  
9 disgorgement or civil penalties against Defendants.

10 **E. The Court Should Order Alternative Service on Pedras**

11 In addition to personal service at his residence in Turlock, California, the Court  
12 should order that the SEC may serve Pedras in New Zealand either personally or  
13 through email service, and that email service on Pedras effectuates service on New  
14 Zealand entity Defendants Maxum Gold Bnk Holdings Limited and FMP Medical  
15 Services Limited and Relief Defendant Comptroller 2013. Under Federal Rule of  
16 Civil Procedure Rule 4(f)(3), service may be made on an individual in a foreign  
17 country by means “not prohibited by international agreement” where ordered by the  
18 Court. Fed. R. Civ. P. Rule 4(f)(3). Under Rule 4(h)(2), service may be made upon a  
19 corporation not located in the U.S. by any manner prescribed by Rule 4(f) for serving  
20 an individual”, except personal service.

21 New Zealand is not a signatory to the Hague convention, and no international  
22 agreement prohibits email service in New Zealand. Email service is within the  
23 Court’s discretion to order under Rule 4(f)(3) and (h)(2). *See Rio Properties, Inc. v.*  
24 *Rio International Interlink*, 284 F.3d 1007 (9th Cir. 2002) (affirming district court  
25 order of email service upon foreign corporation, finding it was reasonably calculated  
26 to provide notice and the most likely means of notifying the defendant of the lawsuit).  
27 Pedras communicates with U.S. investors routinely using email; is the founder and  
28 major principal of Maxum Gold Bnk Holdings Limited and FMP Medical Services

1 Limited; and the principal of Comptroller 2013 Limited. Therefore, the SEC requests  
2 that the Court order that Pedras may be served, in addition to by personal service at  
3 his residence in Turlock, California, by either personal service or email in New  
4 Zealand, and that service on Maxum Gold Bnk Holdings Limited, FMP Medical  
5 Services Limited, and Comptroller 2013 Limited, may be effectuated by email  
6 service on Pedras.

7 **IV. CONCLUSION**

8 For the foregoing reasons, the Court should grant the SEC's *Ex Parte*  
9 Application and enter the accompanying (1) Temporary Restraining Order  
10 temporarily enjoining Defendants, freezing assets, prohibiting the destruction of  
11 documents, and requiring accountings; and (2) Order to Show Cause Why a  
12 Preliminary Injunction Should Not Be Granted.

13 DATED: October 25, 2013

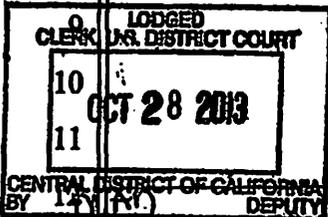
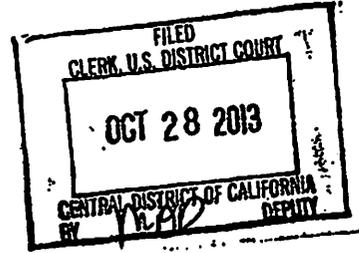
14 Respectfully submitted,

15   
16 AMY JANE LONGO  
17 Attorney for Plaintiff  
18 Securities and Exchange Commission  
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# **EXHIBIT 5**

1 AMY JANE LONGO, Cal. Bar No. 198304  
Email: [longoa@sec.gov](mailto:longoa@sec.gov)  
2 KAREN MATTESON, Cal. Bar. No. 102103  
Email: [mattesonk@sec.gov](mailto:mattesonk@sec.gov)  
3 J. CINDY ESON, Cal. Bar. No. 219782  
Email: [esonjc@sec.gov](mailto:esonjc@sec.gov)

4 Attorneys for Plaintiff  
Securities and Exchange Commission  
5 Michele Wein Layne, Regional Director  
Lorraine B. Echavarria, Associate Regional Director  
6 John W. Berry, Regional Trial Counsel  
5670 Wilshire Boulevard, 11th Floor  
7 Los Angeles, California 90036  
Telephone: (323) 965-3998  
8 Facsimile: (323) 965-3908



UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

Case No. **CV 13-07932** - DMG  
(JLG)

13 SECURITIES AND EXCHANGE  
COMMISSION,  
14 Plaintiff,  
15 vs.  
16 CHRISTOPHER A.T. PEDRAS (aka  
17 CHRIS PEDRAS aka ANTONE  
THOMAS PEDRAS); SYLVESTER  
18 M. GRAY II; ALICIA BRYAN;  
MAXUM GOLD BNK HOLDINGS  
19 LIMITED; MAXUM GOLD BNK  
HOLDINGS LLC; FMP MEDICAL  
20 SERVICES LIMITED; and FMP  
MEDICAL SERVICES LLC,  
21 Defendants, and  
22 COMPTROLLER 2013 LIMITED,  
23 Relief Defendant.

**PROPOSED TEMPORARY  
RESTRAINING ORDER AND  
ORDER TO SHOW CAUSE WHY A  
PRELIMINARY INJUNCTION  
SHOULD NOT BE GRANTED**

**(FILED UNDER SEAL)**

26 This matter came before the Court upon the *Ex Parte* Application for a  
27 Temporary Restraining Order and Order to Show Cause Why a Preliminary  
28 Injunction Should Not Be Granted (the "TRO Application") filed by Plaintiff

1 Securities and Exchange Commission ("SEC").

2 The Court, having considered the SEC's Complaint, the TRO Application, the  
3 supporting Memorandum of Points and Authorities, the supporting declarations and  
4 exhibits, and the other evidence and argument presented to the Court, finds that:

5 A. This Court has jurisdiction over the parties to, and the subject matter of,  
6 this action.

7 B. Good cause exists to believe that:

8 (1) Defendants Christopher A.T. Pedras, Alicia Bryan, Maxum Gold  
9 Bnk Holdings Limited, Maxum Gold Bnk Holdings LLC, FMP  
10 Medical Services Limited, and FMP Medical Services LLC, and  
11 each of them, have engaged in, are engaging in, and are about to  
12 engage in transactions, acts, practices and courses of business that  
13 constitute violations of Sections 5(a), 5(c) of the Securities Act of  
14 1933 (15 U.S.C. §§ 77e(a), 77e(c));

15 (2) Defendants Christopher A.T. Pedras, Sylvester M. Gray, Alicia  
16 Bryan, Maxum Gold Bnk Holdings Limited, Maxum Gold Bnk  
17 Holdings LLC, FMP Medical Services Limited, and FMP Medical  
18 Services LLC, and each of them, have engaged in, are engaging  
19 in, and are about to engage in transactions, acts, practices and  
20 courses of business that constitute violations of Section 17(a) of  
21 the Securities Act (15 U.S.C. § 77q(a)) and Section 10(b) of the  
22 Securities Exchange Act of 1934 (15 U.S.C. § 78j(b)) and Rule  
23 10b-5 thereunder (17 C.F.R. § 240.10b-5); and

24 (3) Defendants Christopher A.T. Pedras and Alicia Bryan, and each of  
25 them, have engaged in, are engaging in, and are about to engage in  
26 transactions, acts, practices and courses of business that constitute  
27 violations of Section 15(a) of the Exchange Act (15 U.S.C. §  
28 78o(a)).

- 1 C. The SEC has demonstrated (1) a *prima facie* case that one or more  
2 violations of the securities laws have occurred and (2) a reasonable  
3 likelihood that the violations will be repeated.
- 4 D. It is appropriate and the interests of justice require that the SEC's TRO  
5 Application be granted without notice to Defendants as the SEC has set  
6 forth in its Application the reasons supporting its claim that notice should  
7 not be required, and it appears from specific facts shown by the  
8 declarations filed by the SEC that immediate and irreparable injury, loss  
9 or damage will result if notice is given to Defendants.

10 I.

11 IT IS HEREBY ORDERED that the SEC's application for a Temporary  
12 Restraining Order and Order To Show Cause Why a Preliminary Injunction Should  
13 Not Be Granted against Defendants Christopher A.T. Pedras, Sylvester M. Gray II,  
14 Alicia Bryan, Maxum Gold Bnk Holdings Limited, Maxum Gold Bnk Holdings LLC,  
15 FMP Medical Services Limited, and FMP Medical Services LLC, and Relief  
16 Defendant Comptroller 2013 is GRANTED.

17 II.

18 IT IS FURTHER ORDERED that Defendants Christopher A.T. Pedras, Alicia  
19 Bryan, Maxum Gold Bnk Holdings Limited, Maxum Gold Bnk Holdings LLC, FMP  
20 Medical Services Limited, and FMP Medical Services LLC, and their officers,  
21 agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons  
22 in active concert or participation with any of them who receive actual notice of this  
23 Order, by personal service or otherwise, and each of them, be and hereby are  
24 temporarily restrained and enjoined from, directly or indirectly, in the absence of any  
25 applicable exemption:

- 26 A. unless a registration statement is in effect as to a security, making use of  
27 any means or instruments of transportation or communication in  
28

1 interstate commerce or of the mails to sell such security through the use  
2 or medium of any prospectus or otherwise;

3 B. unless a registration statement is in effect as to a security, carrying or  
4 causing to be carried through the mails or in interstate commerce, by any  
5 means or instruments of transportation, any such security for the purpose  
6 of sale or for delivery after sale; or

7 C. making use of any means or instruments of transportation or  
8 communication in interstate commerce or of the mails to offer to sell or  
9 offer to buy through the use or medium of any prospectus or otherwise  
10 any security, unless a registration statement has been filed with the SEC  
11 as to such security, or while the registration statement is the subject of a  
12 refusal order or stop order or (prior to the effective date of the  
13 registration statement) any public proceeding or examination under  
14 Section 8 of the Securities Act, 15 U.S.C. § 77h in violation of Section 5  
15 of the Securities Act, 15 U.S.C. § 77e.

16 **III.**

17 **IT IS FURTHER ORDERED** that Defendants Christopher A.T. Pedras,  
18 Sylvester M. Gray II, Alicia Bryan, Maxum Gold Bnk Holdings Limited, Maxum  
19 Gold Bnk Holdings LLC, FMP Medical Services Limited, and FMP Medical Services  
20 LLC, and their officers, agents, servants, employees, attorneys, subsidiaries and  
21 affiliates, and those persons in active concert or participation with any of them, who  
22 receive actual notice of this Order, by personal service or otherwise, and each of them,  
23 be and hereby are temporarily restrained and enjoined from, directly or indirectly, in  
24 the offer or sale of any securities, by the use of any means or instruments of  
25 transportation or communication in interstate commerce or by the use of the mails:

26 A. employing any device, scheme or artifice to defraud;

27 B. obtaining money or property by means of any untrue statement of a  
28 material fact or any omission to state a material fact necessary in order to



1 service or otherwise, and each of them, be and hereby are temporarily restrained and  
2 enjoined from, directly or indirectly unless they are registered with the SEC in  
3 accordance with Section 15(b) of Exchange Act, 15 U.S.C. § 78o(b), and in the  
4 absence of any applicable exemption, making use of the mails, or any means or  
5 instrumentality of interstate commerce to effect any transactions in, or to induce  
6 or attempt to induce the purchase or sale of, any security (other than an exempted  
7 security or commercial paper, bankers' acceptances, or commercial bills) in the  
8 United States, in violation of Section 15(a) of the Exchange Act, 15 U.S.C. § 78o(a).

9 **VI.**

10 **IT IS FURTHER ORDERED** that, except as otherwise ordered by this Court,  
11 Defendants Christopher A.T. Pedras, Sylvester M. Gray II, Alicia Bryan, Maxum  
12 Gold Bnk Holdings Limited, Maxum Gold Bnk Holdings LLC, FMP Medical  
13 Services Limited, and FMP Medical Services LLC, and Relief Defendant  
14 Comptroller 2013 Limited, and their officers, agents, servants, employees, attorneys,  
15 subsidiaries and affiliate, and those persons in active concert with them, who receive  
16 actual notice of this Order, by personal service or otherwise, and each of them, be and  
17 hereby are permanently restrained and enjoined from, directly or indirectly,  
18 transferring, assigning, selling, hypothecating, changing, wasting, dissipating,  
19 converting, concealing, encumbering, or otherwise disposing of, in any manner, any  
20 funds, assets, securities, claims or other real or personal property, including any notes  
21 or deeds of trust or other interest in real property, wherever located, of any one of the  
22 Defendants, or their subsidiaries or affiliates, owned by, controlled by, managed by or  
23 in the possession or custody of any of them and from transferring, encumbering  
24 dissipating, incurring charges or cash advances on any debit or credit card of the  
25 credit arrangement of any one of the Defendants, or their subsidiaries and affiliates.

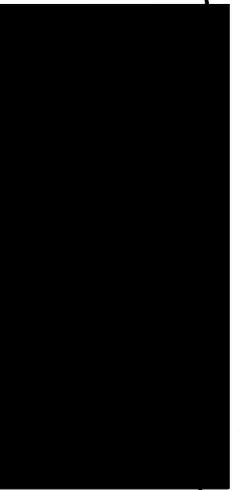
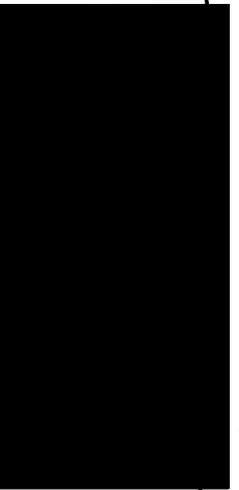
26 **VII.**

27 **IT IS FURTHER ORDERED** that, except as otherwise ordered by this Court,  
28 an immediate freeze shall be placed on all monies and assets (with an allowance for

1 necessary and reasonable living expenses to be granted only upon good cause shown  
 2 by application to the Court with notice to and an opportunity for the SEC to be heard)  
 3 in all accounts at any bank (including, without limitation, ANZ (Australia and New  
 4 Zealand Banking Group Limited), Bank of New Zealand, Westpac New Zealand  
 5 Limited, and Wells Fargo Bank, N.A.), financial institution or brokerage firm, or  
 6 Internet or "e-commerce" payment processor, all certificates of deposit, and other  
 7 funds or assets, held in the name of, for the benefit of, or over which account  
 8 authority is held by Defendants Christopher A.T. Pedras, Maxum Gold Bnk Holdings  
 9 Limited, Maxum Gold Bnk Holdings LLC, FMP Medical Services Limited, or FMP  
 10 Medical Services LLC, including but not limited to the accounts listed below:

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Bank Name	Account Name	Account Number
Wells Fargo Bank, N.A.	Maxum Gold Bnk Holdings LLC	
Wells Fargo Bank, N.A.	Maxum Gold Bnk Holdings LLC	
Wells Fargo Bank, N.A.	Maxum Gold Bnk Holdings LLC	
Wells Fargo Bank, N.A.	Maxum Gold Bnk Holdings LLC	
Wells Fargo Bank, N.A.	Maxum Gold Bnk Holdings LLC	
Wells Fargo Bank, N.A.	Maxum Gold Bnk Holdings LLC	
Wells Fargo Bank, N.A.	FMP Medical Services LLC	

	<b>Bank Name</b>	<b>Account Name</b>	<b>Account Number</b>	
1				
2				
3	Wells Fargo	FMP Medical Services LLC		
4	Bank, N.A.			
5	Wells Fargo	FMP Medical Services LLC		
6	Bank, N.A.			
7	Wells Fargo	FMP Medical Services LLC		
8	Bank, N.A.			
9	Wells Fargo	FMP Medical Services LLC		
10	Bank, N.A.			
11	Wells Fargo	FMP Medical Services LLC		
12	Bank, N.A.			
13	ANZ	Maxum Gold Bnk Holdings Limited		
14	(Australia and			
15	New Zealand			
16	Banking Group			
17	Limited)			
18				
19	ANZ	Maxum Gold Bnk PCPT Limited		
20	(Australia and			
21	New Zealand			
22	Banking Group			
23	Limited)			
24				
25	ANZ	Antone Thomas Pedras		
26	(Australia and			
27	New Zealand			
28	Banking Group Limited)			

1 2	<b>Bank Name</b>	<b>Account Name</b>	<b>Account Number</b>
3 4 5	Bank of New Zealand	Maxum Gold Bnk Holdings Limited	
6 7 8	Bank of New Zealand	Maxum Gold Bnk Holdings Limited	
9 10 11	Bank of New Zealand	Maxum Gold Bnk Limited	
12 13 14	Bank of New Zealand	Mr. A T Pedras Associated Business Advisors	
15 16 17	Bank of New Zealand	Mr. A T Pedras Associated Business Advisors	
18 19	Westpac New Zealand Limited	Maxum Gold Bnk Holdings Limited	
20 21 22	Westpac New Zealand Limited	Comptroller 2013 Limited	
23 24	Westpac New Zealand Limited	Mr. A T. Pedras	
25 26	Westpac New Zealand Limited	Mr. A T. Pedras	
27 28	Westpac New Zealand Limited	FMP Medical Services Limited	

Bank Name	Account Name	Account Number
Westpac New Zealand Limited	FMP Medical Services Limited – Trust Account	

**VIII.**

IT IS FURTHER ORDERED that, except as otherwise ordered by this Court, each of the Defendants, and Relief Defendant Comptroller 2013 Limited, and their officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons in active concert or participation with any of them, who receive actual notice of this Order, by personal service or otherwise, and each of them, be and hereby are temporarily restrained and enjoined from, directly or indirectly: destroying, mutilating, concealing, transferring, altering, or otherwise disposing of, in any manner, any documents, which includes all books, records, computer programs, computer files, computer printouts, contracts, emails, correspondence, memoranda, brochures, or any other documents of any kind in their possession, custody or control, however created, produced, or stored (manually, mechanically, electronically, or otherwise), pertaining in any manner to Defendants Christopher A.T. Pedras, Sylvester M. Gray II, Alicia Bryan, Maxum Gold Bnk Holdings Limited, Maxum Gold Bnk Holdings LLC, FMP Medical Services Limited, FMP Medical Services LLC, or Relief Defendant Comptroller 2013 Limited.

**IX.**

IT IS FURTHER ORDERED that Defendants Christopher A.T. Pedras, Sylvester M. Gray II, Alicia Bryan, Maxum Gold Bnk Holdings Limited, Maxum Gold Bnk Holdings LLC, FMP Medical Services Limited, and FMP Medical Services LLC, and Relief Defendant Comptroller 2013 Limited, within five days of the issuance of this Order, shall prepare and deliver to the SEC a detailed and complete schedule of all of their personal assets, including all real and personal property

1 exceeding \$5,000 in value, and all bank, securities, and other accounts identified by  
2 institution, branch address and account number. The accounting shall include a  
3 description of the sources of all such assets. Such accounting shall be filed with the  
4 Court and a copy shall be delivered to the SEC's Los Angeles Regional Office to the  
5 attention of Amy Jane Longo, Trial Counsel. After completion of the accounting,  
6 each of the Defendants shall produce to the SEC's Los Angeles Regional Office, at a  
7 time agreeable to the SEC, all books, records and other documents supporting or  
8 underlying their accounting.

9 X.

10 IT IS FURTHER ORDERED that any person who receives actual notice of this  
11 Order by personal service or otherwise, and who holds, possesses or controls assets  
12 exceeding \$5,000 for the account or benefit of any one of the Defendants or Relief  
13 Defendant Comptroller 2013 Limited, shall within 5 days of receiving actual notice  
14 of this Order provide counsel for the SEC with a written statement identifying all  
15 such assets, the value of such assets, or best approximation thereof, and any account  
16 numbers or account names in which the assets are held.

17 XI.

18 IT IS FURTHER ORDERED that Plaintiff SEC may effect service on  
19 Defendants Christopher A.T. Pedras by personal service in California or in New  
20 Zealand, or by email; and that service on Pedras by email will effectuate service upon  
21 Defendants Maxum Gold Bnk Holdings Limited and FMP Medical Services Limited,  
22 and Relief Defendant Comptroller 2013 Limited

23 XII.

24 IT IS FURTHER ORDERED that this Temporary Restraining Order shall  
25 expire at 5:00 PM on October 8, 2013 unless for good cause shown it is extended  
26 or the parties against whom it is directed consent that it may be extended for a longer  
27 period.

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XXIII.

IT IS FURTHER ORDERED that at ~~9:30 AM~~ on October ~~11~~/~~8~~, 2013, or as soon thereafter as the parties may be heard, the Defendants, and each of them, shall appear before the Honorable Harry J. Ellison, Judge of the United States District Court for the Central District of California, to show cause, if there be any, why a preliminary injunction should not be granted. Any declarations, affidavits, points and authorities, or other submissions in support of, or in opposition to, the issuance of such an Order shall be filed with the Court and delivered to the SEC's Los Angeles office and the offices of the Defendants or their attorneys no later than 5:00 PM on October ~~11~~/~~9~~, 2013. Any reply papers shall be filed with the Court and delivered to opposing counsel no later than 5:00 PM on October ~~11~~/~~6~~, 2013. Service of all such papers shall be by electronic mail, facsimile, or personal service.

XXIV.

IT IS FURTHER ORDERED that this Court shall retain jurisdiction over this action for the purpose of implementing and carrying out the terms of all orders and decrees which may be entered herein and to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

IT IS SO ORDERED.

Dated: 10/28, 2013

Harry J. Ellison  
UNITED STATES DISTRICT JUDGE

Presented by:  
Amy Jane Longo  
Attorney for Plaintiff  
Securities and Exchange Commission

# **EXHIBIT 6**

1 AMY JANE LONGO, Cal. Bar No. 198304  
Email: [longoa@sec.gov](mailto:longoa@sec.gov)  
2 KAREN MATTESON, Cal. Bar. No. 102103  
Email: [mattesonk@sec.gov](mailto:mattesonk@sec.gov)  
3 J. CINDY ESON, Cal. Bar. No. 219782  
Email: [esonjc@sec.gov](mailto:esonjc@sec.gov)

Note Changes Made by the  
Court

4 Attorneys for Plaintiff  
Securities and Exchange Commission  
5 Michele Wein Layne, Regional Director  
Lorraine B. Echavarria, Associate Regional Director  
6 John W. Berry, Regional Trial Counsel  
5670 Wilshire Boulevard, 11th Floor  
7 Los Angeles, California 90036  
Telephone: (323) 965-3998  
8 Facsimile: (323) 965-3908

9  
10 **UNITED STATES DISTRICT COURT**  
11 **CENTRAL DISTRICT OF CALIFORNIA**

12 **SECURITIES AND EXCHANGE**  
13 **COMMISSION,**

14 **Plaintiff,**

15 **vs.**

16 **CHRISTOPHER A.T. PEDRAS (aka**  
17 **CHRIS PEDRAS aka ANTONE**  
18 **THOMAS PEDRAS); SYLVESTER**  
19 **M. GRAY II; ALICIA BRYAN;**  
20 **MAXUM GOLD BNK HOLDINGS**  
**LIMITED; MAXUM GOLD BNK**  
**HOLDINGS LLC; FMP MEDICAL**  
**SERVICES LIMITED; and FMP**  
**MEDICAL SERVICES LLC,**

21 **Defendants, and**

22 **COMPTROLLER 2013 LIMITED,**

23 **Relief Defendant.**

Case No. CV 13-07932-GAF (MRWx)

**[PROPOSED] AMENDED**  
**TEMPORARY RESTRAINING**  
**ORDER AND ORDER TO SHOW**  
**CAUSE WHY A PRELIMINARY**  
**INJUNCTION SHOULD NOT BE**  
**GRANTED**

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25  
26 **This matter came before the Court upon the *Ex Parte* Application for a**  
27 **Temporary Restraining Order and Order to Show Cause Why a Preliminary**  
28 **Injunction Should Not Be Granted (the “TRO Application”) filed by Plaintiff**

1 Securities and Exchange Commission (“SEC”).

2 The Court, having considered the SEC’s Request to Modify its October 28,  
3 2013 Temporary Restraining Order, the Complaint, the TRO Application, the  
4 supporting Memorandum of Points and Authorities, the supporting declarations and  
5 exhibits, and the other evidence and argument presented to the Court, finds that:

6 A. This Court has jurisdiction over the parties to, and the subject matter of,  
7 this action.

8 B. Good cause exists to believe that:

9 (1) Defendants Christopher A.T. Pedras, Alicia Bryan, Maxum Gold  
10 Bnk Holdings Limited, Maxum Gold Bnk Holdings LLC, FMP  
11 Medical Services Limited, and FMP Medical Services LLC, and  
12 each of them, have engaged in, are engaging in, and are about to  
13 engage in transactions, acts, practices and courses of business that  
14 constitute violations of Sections 5(a), 5(c) of the Securities Act of  
15 1933 (15 U.S.C. §§ 77e(a), 77e(c));

16 (2) Defendants Christopher A.T. Pedras, Sylvester M. Gray, Alicia  
17 Bryan, Maxum Gold Bnk Holdings Limited, Maxum Gold Bnk  
18 Holdings LLC, FMP Medical Services Limited, and FMP Medical  
19 Services LLC, and each of them, have engaged in, are engaging  
20 in, and are about to engage in transactions, acts, practices and  
21 courses of business that constitute violations of Section 17(a) of  
22 the Securities Act (15 U.S.C. § 77q(a)) and Section 10(b) of the  
23 Securities Exchange Act of 1934 (15 U.S.C. § 78j(b)) and Rule  
24 10b-5 thereunder (17 C.F.R. § 240.10b-5); and

25 (3) Defendants Christopher A.T. Pedras and Alicia Bryan, and each of  
26 them, have engaged in, are engaging in, and are about to engage in  
27 transactions, acts, practices and courses of business that constitute  
28

1 violations of Section 15(a) of the Exchange Act (15 U.S.C. §  
2 78o(a)).

3 C. The SEC has demonstrated (1) a *prima facie* case that one or more  
4 violations of the securities laws have occurred and (2) a reasonable  
5 likelihood that the violations will be repeated.

6 D. It is appropriate and the interests of justice require that the SEC's TRO  
7 Application be granted without notice to Defendants as the SEC has set  
8 forth in its Application the reasons supporting its claim that notice should  
9 not be required, and it appears from specific facts shown by the  
10 declarations filed by the SEC that immediate and irreparable injury, loss  
11 or damage will result if notice is given to Defendants.

12 I.

13 IT IS HEREBY ORDERED that the SEC's application for a Temporary  
14 Restraining Order and Order To Show Cause Why a Preliminary Injunction Should  
15 Not Be Granted against Defendants Christopher A.T. Pedras, Sylvester M. Gray II,  
16 Alicia Bryan, Maxum Gold Bnk Holdings Limited, Maxum Gold Bnk Holdings LLC,  
17 FMP Medical Services Limited, and FMP Medical Services LLC, and Relief  
18 Defendant Comptroller 2013 is GRANTED.

19 II.

20 IT IS FURTHER ORDERED that Defendants Christopher A.T. Pedras, Alicia  
21 Bryan, Maxum Gold Bnk Holdings Limited, Maxum Gold Bnk Holdings LLC, FMP  
22 Medical Services Limited, and FMP Medical Services LLC, and their officers,  
23 agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons  
24 in active concert or participation with any of them who receive actual notice of this  
25 Order, by personal service or otherwise, and each of them, be and hereby are  
26 temporarily restrained and enjoined from, directly or indirectly, in the absence of any  
27 applicable exemption:  
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1 B. obtaining money or property by means of any untrue statement of a  
2 material fact or any omission to state a material fact necessary in order to  
3 make the statements made, in light of the circumstances under which  
4 they were made, not misleading; or

5 C. engaging in any transaction, practice, or course of business which  
6 operates or would operate as a fraud or deceit upon the purchaser;  
7 in violation of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

8 IV.

9 IT IS FURTHER ORDERED that Defendants Christopher A.T. Pedras,  
10 Sylvester M. Gray II, Alicia Bryan, Maxum Gold Bnk Holdings Limited, Maxum  
11 Gold Bnk Holdings LLC, FMP Medical Services Limited, and FMP Medical Services  
12 LLC, and their officers, agents, servants, employees, attorneys, subsidiaries and  
13 affiliates, and those persons in active concert or participation with any of them, who  
14 receive actual notice of this Order, by personal service or otherwise, and each of  
15 them, be and hereby are temporarily restrained and enjoined from, directly or  
16 indirectly, in connection with the purchase or sale of any security, by the use of any  
17 means or instrumentality of interstate commerce, or of the mails, or of any facility of  
18 any national securities exchange:

19 A. employing any device, scheme or artifice to defraud;

20 B. making any untrue statement of a material fact or omitting to state a  
21 material fact necessary in order to make the statements made, in the light  
22 of the circumstances under which they were made, not misleading; or

23 C. engaging in any act, practice, or course of business which operates or  
24 would operate as a fraud or deceit upon any person;

25 in violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5  
26 thereunder, 17 C.F.R. § 240.10b-5.

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V.

IT IS FURTHER ORDERED that Defendants Christopher A.T. Pedras, and Alicia Bryan, and their agents, servants, attorneys, and those persons in active concert or participation with any of them, who receive actual notice of this Order, by personal service or otherwise, and each of them, be and hereby are temporarily restrained and enjoined from, directly or indirectly unless they are registered with the SEC in accordance with Section 15(b) of Exchange Act, 15 U.S.C. § 78o(b), and in the absence of any applicable exemption, making use of the mails, or any means or instrumentality of interstate commerce to effect any transactions in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) in the United States, in violation of Section 15(a) of the Exchange Act, 15 U.S.C. § 78o(a).

VI.

IT IS FURTHER ORDERED that, except as otherwise ordered by this Court, Defendants Christopher A.T. Pedras, Sylvester M. Gray II, Alicia Bryan, Maxum Gold Bnk Holdings Limited, Maxum Gold Bnk Holdings LLC, FMP Medical Services Limited, and FMP Medical Services LLC, and Relief Defendant Comptroller 2013 Limited, and their officers, agents, servants, employees, attorneys, subsidiaries and affiliate, and those persons in active concert with them, who receive actual notice of this Order, by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from, directly or indirectly, transferring, assigning, selling, hypothecating, changing, wasting, dissipating, converting, concealing, encumbering, or otherwise disposing of, in any manner, any funds, assets, securities, claims or other real or personal property, including any notes or deeds of trust or other interest in real property, wherever located, of any one of the Defendants, or their subsidiaries or affiliates, owned by, controlled by, managed by or in the possession or custody of any of them and from transferring, encumbering

1 dissipating, incurring charges or cash advances on any debit or credit card of the  
 2 credit arrangement of any one of the Defendants, or their subsidiaries and affiliates.

3 **VII.**

4 IT IS FURTHER ORDERED that, except as otherwise ordered by this Court,  
 5 an immediate freeze shall be placed on all monies and assets (with an allowance for  
 6 necessary and reasonable living expenses to be granted only upon good cause shown  
 7 by application to the Court with notice to and an opportunity for the SEC to be heard)  
 8 in all accounts at any bank (including, without limitation, ANZ (Australia and New  
 9 Zealand Banking Group Limited), Bank of New Zealand, Westpac New Zealand  
 10 Limited, and Wells Fargo Bank, N.A.), financial institution or brokerage firm, or  
 11 Internet or “e-commerce” payment processor, all certificates of deposit, and other  
 12 funds or assets, held in the name of, for the benefit of, or over which account  
 13 authority is held by Defendants Christopher A.T. Pedras, Maxum Gold Bnk Holdings  
 14 Limited, Maxum Gold Bnk Holdings LLC, FMP Medical Services Limited, or FMP  
 15 Medical Services LLC, including but not limited to the accounts listed below:

Bank Name	Account Name	Account Number
Wells Fargo Bank, N.A.	Maxum Gold Bnk Holdings LLC	[REDACTED]
Wells Fargo Bank, N.A.	Maxum Gold Bnk Holdings LLC	[REDACTED]
Wells Fargo Bank, N.A.	Maxum Gold Bnk Holdings LLC	[REDACTED]
Wells Fargo Bank, N.A.	Maxum Gold Bnk Holdings LLC	[REDACTED]

1	<b>Bank Name</b>	<b>Account Name</b>	<b>Account</b>
2			<b>Number</b>
3	Wells Fargo	Maxum Gold Bnk Holdings LLC	
4	Bank, N.A.		
5	Wells Fargo	Maxum Gold Bnk Holdings LLC	
6	Bank, N.A.		
7	Wells Fargo	FMP Medical Services LLC	
8	Bank, N.A.		
9	Wells Fargo	FMP Medical Services LLC	
10	Bank, N.A.		
11	Wells Fargo	FMP Medical Services LLC	
12	Bank, N.A.		
13	Wells Fargo	FMP Medical Services LLC	
14	Bank, N.A.		
15	Wells Fargo	FMP Medical Services LLC	
16	Bank, N.A.		
17	Wells Fargo	FMP Medical Services LLC	
18	Bank, N.A.		
19	Wells Fargo	FMP Medical Services LLC	
20	ANZ	Maxum Gold Bnk Holdings Limited	
21	(Australia and		
22	New Zealand		
23	Banking Group		
24	Limited)		
25	ANZ	Maxum Gold Bnk PCPT Limited	
26	(Australia and		
27	New Zealand		
28	Banking Group		

1 <b>Bank Name</b>	2 <b>Account Name</b>	3 <b>Account Number</b>
4 Limited)		
5 ANZ 6 (Australia and 7 New Zealand 8 Banking Group 9 Limited)	Antone Thomas Pedras	
10 Bank of New 11 Zealand	Maxum Gold Bnk Holdings Limited	
13 Bank of New 14 Zealand	Maxum Gold Bnk Holdings Limited	
16 Bank of New 17 Zealand	Maxum Gold Bnk Limited	
19 Bank of New 20 Zealand	Mr. A T Pedras Associated Business Advisors	
22 Bank of New 23 Zealand	Mr. A T Pedras Associated Business Advisors	
25 Westpac New 26 Zealand Limited	Maxum Gold Bnk Holdings Limited	

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Bank Name	Account Name	Account Number
Westpac New Zealand Limited	Comptroller 2013 Limited	
Westpac New Zealand Limited	Mr. A T. Pedras	
Westpac New Zealand Limited	Mr. A T. Pedras	
Westpac New Zealand Limited	FMP Medical Services Limited	
Westpac New Zealand Limited	FMP Medical Services Limited – Trust Account	

**VIII.**

IT IS FURTHER ORDERED that, except as otherwise ordered by this Court, each of the Defendants, and Relief Defendant Comptroller 2013 Limited, and their officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons in active concert or participation with any of them, who receive actual notice of this Order, by personal service or otherwise, and each of them, be and hereby are temporarily restrained and enjoined from, directly or indirectly: destroying, mutilating, concealing, transferring, altering, or otherwise disposing of, in any manner, any documents, which includes all books, records, computer programs, computer files, computer printouts, contracts, emails, correspondence, memoranda, brochures, or any other documents of any kind in their possession, custody or control, however created, produced, or stored (manually, mechanically, electronically, or otherwise), pertaining in any manner to Defendants Christopher A.T. Pedras, Sylvester M. Gray II, Alicia Bryan, Maxum Gold Bnk Holdings Limited, Maxum

1 Gold Bnk Holdings LLC, FMP Medical Services Limited, FMP Medical Services  
2 LLC, or Relief Defendant Comptroller 2013 Limited.

3 **IX.**

4 IT IS FURTHER ORDERED that Defendants Christopher A.T. Pedras,  
5 Sylvester M. Gray II, Alicia Bryan, Maxum Gold Bnk Holdings Limited, Maxum  
6 Gold Bnk Holdings LLC, FMP Medical Services Limited, and FMP Medical Services  
7 LLC, and Relief Defendant Comptroller 2013 Limited, within five days of the  
8 issuance of this Order, shall prepare and deliver to the SEC a detailed and complete  
9 schedule of all of their personal assets, including all real and personal property  
10 exceeding \$5,000 in value, and all bank, securities, and other accounts identified by  
11 institution, branch address and account number. The accounting shall include a  
12 description of the sources of all such assets. Such accounting shall be filed with the  
13 Court and a copy shall be delivered to the SEC's Los Angeles Regional Office to the  
14 attention of Amy Jane Longo, Trial Counsel. After completion of the accounting,  
15 each of the Defendants shall produce to the SEC's Los Angeles Regional Office, at a  
16 time agreeable to the SEC, all books, records and other documents supporting or  
17 underlying their accounting.

18 **X.**

19 IT IS FURTHER ORDERED that any person who receives actual notice of this  
20 Order by personal service or otherwise, and who holds, possesses or controls assets  
21 exceeding \$5,000 for the account or benefit of any one of the Defendants or Relief  
22 Defendant Comptroller 2013 Limited, shall within 5 days of receiving actual notice  
23 of this Order provide counsel for the SEC with a written statement identifying all  
24 such assets, the value of such assets, or best approximation thereof, and any account  
25 numbers or account names in which the assets are held.

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**XI.**

IT IS FURTHER ORDERED that Plaintiff SEC may effect service on Defendants Christopher A.T. Pedras by personal service in California or in New Zealand, or by email; and that service on Pedras by email will effectuate service upon Defendants Maxum Gold Bnk Holdings Limited and FMP Medical Services Limited, and Relief Defendant Comptroller 2013 Limited.

**XII.**

IT IS FURTHER ORDERED that this Amended Temporary Restraining Order supersedes the Temporary Restraining Order entered on October 28, 2013, and this Amended Temporary Restraining Order shall expire at 5:00pm on November 21, 2013, unless for good cause shown it is extended or the parties against whom it is directed consent that it may be extended for a longer period.

**XXIII.**

IT IS FURTHER ORDERED that at ~~9:30am~~<sup>2:30 p.m.</sup> on November 20 2013, or as soon thereafter as the parties may be heard, the Defendants, and each of them, shall appear before the Honorable Gary Feess, Judge of the United States District Court for the Central District of California, to show cause, if there be any, why a preliminary injunction should not be granted Any declarations, affidavits, points and authorities, or other submissions in support of, or in opposition to, the issuance of such an Order shall be filed with the Court and delivered to the SEC's Los Angeles office and the offices of the Defendants or their attorneys no later than 5:00pm on November 13, 2013. Any reply papers shall be filed with the Court and delivered to opposing counsel no later than 5:00pm on November 18, 2013. Service of all such papers shall be by electronic mail, facsimile, or personal service.

**XXIV.**

IT IS FURTHER ORDERED that this Court shall retain jurisdiction over this action for the purpose of implementing and carrying out the terms of all orders and

GAF

1 decrees which may be entered herein and to entertain any suitable application or  
2 motion for additional relief within the jurisdiction of this Court.

3  
4 IT IS SO ORDERED.

5 November 6, 2013  
6 Dated:     , 2013

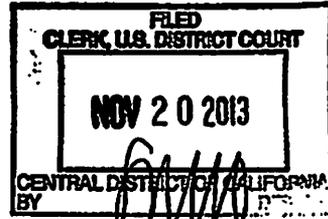
  
HONORABLE GARY FEESS  
UNITED STATES DISTRICT JUDGE

7 Presented by:  
8 Amy Jane Longo  
9 Attorney for Plaintiff  
Securities and Exchange Commission

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# **EXHIBIT 7**

1 AMY JANE LONGO, Cal. Bar No. 198304  
Email: [longoa@sec.gov](mailto:longoa@sec.gov)  
2 KAREN MATTESON, Cal. Bar No. 102103  
Email: [mattesonk@sec.gov](mailto:mattesonk@sec.gov)  
3 J. CINDY ESON, Cal. Bar No. 219782  
Email: [esonjc@sec.gov](mailto:esonjc@sec.gov)



4 Attorneys for Plaintiff  
Securities and Exchange Commission  
5 Michele Wein Layne, Regional Director  
Lorraine B. Echavarria, Associate Regional Director  
6 John W. Berry, Regional Trial Counsel  
5670 Wilshire Boulevard, 11th Floor  
7 Los Angeles, California 90036  
Telephone: (323) 965-3998  
8 Facsimile: (323) 965-3908

9  
10 UNITED STATES DISTRICT COURT  
11 CENTRAL DISTRICT OF CALIFORNIA  
12 WESTERN DIVISION

13 SECURITIES AND EXCHANGE  
14 COMMISSION,

15 Plaintiff,

16 vs.

17 CHRISTOPHER A.T. PEDRAS (aka  
CHRIS PEDRAS aka ANTONE  
18 THOMAS PEDRAS); SYLVESTER  
M. GRAY II; ALICIA BRYAN;  
19 MAXUM GOLD BNK HOLDINGS  
LIMITED; MAXUM GOLD BNK  
20 HOLDINGS LLC; FMP MEDICAL  
SERVICES LIMITED; and FMP  
21 MEDICAL SERVICES LLC,

22 Defendants, and

23 COMPTROLLER 2013 LIMITED,

24 Relief Defendant.  
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Case No. CV 13-07932-GAF (MRWx)

26  
27 ~~REVISED PROPOSED~~ ORDER OF  
28 PRELIMINARY INJUNCTION

27 This matter came to be heard upon the application of Plaintiff Securities and  
28 Exchange Commission ("SEC") for a Preliminary Injunction ("Application").

1           This Court has considered all of the evidence filed by the SEC in support of its  
2 *Ex Parte* Application For Temporary Restraining Order and Order To Show Cause  
3 Why a Preliminary Injunction Should Not Be Granted (“TRO”) and the SEC’s  
4 Request to Modify and Extend the October 28, 2013 Temporary Restraining Order  
5 and Continue Hearing on the Order to Show Cause Why a Preliminary Injunction  
6 Should Not Be Granted, as well as the Declaration of Amy Jane Longo Regarding  
7 Failure by Defendants to Oppose Entry of Preliminary Injunction.

8           Each of the Defendants has been served with the Summons, Complaint, TRO  
9 and all papers filed by the SEC in support of its Application for a TRO:

- 10           • Defendant Christopher A.T. Pedras was served by email on October 30,  
11           2013, as authorized by this Court’s Order dated October 28, 2013 (Dkt.  
12           No. 35) and was personally served on November 4, 2013 (Dkt. No. 25);
- 13           • Defendant Sylvester M. Gray II was personally served on November 2,  
14           2013 (Dkt. No. 27);
- 15           • Defendant Alicia Bryan was personally served on October 31, 2013  
16           (Dkt. No. 31);
- 17           • Defendant Maxum Gold Bnk Holdings Limited was served by email on  
18           October 30, 2013 through email service upon Christopher A.T. Pedras,  
19           as authorized by this Court’s Order dated October 28, 2013 (Dkt. No.  
20           32) and was served on November 4, 2013 by personal service on its  
21           registered agent for service of process (Dkt. No. 37);
- 22           • Defendant Maxum Gold Bnk Holdings LLC was served on October 31,  
23           2013 by personal service on its registered agent for service of process  
24           (Dkt. No. 29);
- 25           • Defendant FMP Medical Services Limited was served by email on  
26           October 30, 2013 through email service upon Christopher A.T. Pedras,  
27           as authorized by this Court’s Order dated October 28, 2013 (Dkt. No.  
28

1 33) and was served on November 5, 2013 by personal service on its  
2 registered agent for service of process (Dkt. No. 36);

3 • Defendant FMP Medical Services LLC was served on October 31, 2013  
4 by personal service on its registered agent for service of process (Dkt.  
5 No. 30); and

6 • Relief Defendant Comptroller 2013 was served by email on October 30,  
7 2013 through email service upon Christopher A.T. Pedras, as authorized  
8 by this Court's Order dated October 28, 2013 (Dkt. No. 34) and was  
9 served on November 4, 2013 by personal service on its registered agent  
10 for service of process (Dkt. No. 26).

11 In the Amended TRO, issued on November 6, 2013 (Dkt. No. 13), the Court  
12 ordered the defendants to file and serve any opposition to entry of a preliminary  
13 injunction no later than 5:00 p.m. on November 13, 2013. No opposition to the  
14 SEC's Application or any other document has been filed or served by any of the  
15 Defendants in this case.

16 Based upon the evidence filed by the SEC, as set forth below, the Court finds:

17 A. This Court has jurisdiction over the parties to, and the subject matter of,  
18 this action.

19 B. Good cause exists to believe that:

20 (1) Defendants Christopher A.T. Pedras, Alicia Bryan, Maxum Gold  
21 Bnk Holdings Limited, Maxum Gold Bnk Holdings LLC, FMP  
22 Medical Services Limited, and FMP Medical Services LLC, and  
23 each of them, have engaged in, are engaging in, and are about to  
24 engage in transactions, acts, practices and courses of business that  
25 constitute violations of Sections 5(a) and 5(c) of the Securities Act  
26 of 1933 (15 U.S.C. §§ 77e(a), 77e(c));

27 (2) Defendants Christopher A.T. Pedras, Sylvester M. Gray II, Alicia  
28 Bryan, Maxum Gold Bnk Holdings Limited, Maxum Gold Bnk

1 Holdings LLC, FMP Medical Services Limited, and FMP Medical  
2 Services LLC, and each of them, have engaged in, are engaging  
3 in, and are about to engage in transactions, acts, practices and  
4 courses of business that constitute violations of Section 17(a) of  
5 the Securities Act (15 U.S.C. § 77q(a)) and Section 10(b) of the  
6 Securities Exchange Act of 1934 (15 U.S.C. § 78j(b)) and Rule  
7 10b-5 thereunder (17 C.F.R. § 240.10b-5); and

8 (3) Defendants Christopher A.T. Pedras and Alicia Bryan, and each of  
9 them, have engaged in, are engaging in, and are about to engage in  
10 transactions, acts, practices and courses of business that constitute  
11 violations of Section 15(a) of the Exchange Act (15 U.S.C. §  
12 78o(a)).

13 C. Specifically, the uncontroverted evidence submitted by the SEC  
14 establishes that Defendants raised at least \$5.6 million from investors in an  
15 unregistered fraudulent offering of securities to the general public, including through  
16 the conduct of Defendants Christopher A.T. Pedras and Alicia Bryan as unregistered  
17 broker dealers. The Defendants have not accounted for any of the investor funds they  
18 received.

19 D. The SEC has demonstrated a probability of success on the merits in this  
20 action.

21 E. Good cause exists to believe that the Defendants will continue to engage  
22 in such violations to the immediate and irreparable loss and damage to investors and  
23 to the general public unless they are restrained and enjoined.

24 F. The likelihood that the Defendants will continue to violate the above  
25 provisions absent entry of a preliminary injunction is further evidenced by  
26 Defendants' failure to file or serve, by November 12, 2013, the accounting required  
27 by paragraph IX of the Amended TRO.

28 Accordingly:

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**I.**

**IT IS HEREBY ORDERED** that the SEC's Application for a Preliminary Injunction is **GRANTED**.

**II.**

**IT IS FURTHER ORDERED** that Defendants Christopher A.T. Pedras, Alicia Bryan, Maxum Gold Bnk Holdings Limited, Maxum Gold Bnk Holdings LLC, FMP Medical Services Limited, and FMP Medical Services LLC and their officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons in active concert or participation with any of them, who receive actual notice of this Order, by personal service or otherwise, and each of them, be and hereby are preliminarily restrained and enjoined from, directly or indirectly:

- A. unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise;
- B. unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; or
- C. making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed with the SEC as to such security, or while the registration statement is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act, 15 U.S.C. § 77h;

in violation of Section 5 of the Securities Act, 15 U.S.C. § 77e.

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**III.**

**IT IS FURTHER ORDERED** that Defendants Christopher A.T. Pedras, Sylvester M. Gray II, Alicia Bryan, Maxum Gold Bnk Holdings Limited, Maxum Gold Bnk Holdings LLC, FMP Medical Services Limited, and FMP Medical Services LLC, and their officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons in active concert or participation with any of them, who receive actual notice of this Order, by personal service or otherwise, and each of them, be and hereby are preliminarily restrained and enjoined from, directly or indirectly, in the offer or sale of any securities, by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails:

- A. employing any device, scheme or artifice to defraud;**
- B. obtaining money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or**
- C. engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser;**

**in violation of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).**

**IV.**

**IT IS FURTHER ORDERED** that Defendants Christopher A.T. Pedras, Sylvester M. Gray II, Alicia Bryan, Maxum Gold Bnk Holdings Limited, Maxum Gold Bnk Holdings LLC, FMP Medical Services Limited, and FMP Medical Services LLC and their officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons in active concert or participation with any of them, who receive actual notice of this Order, by personal service or otherwise, and each of them, be and hereby are preliminarily restrained and enjoined from, directly or indirectly, in connection with the purchase or sale of any security, by the use of any

1 means or instrumentality of interstate commerce, or of the mails, or of any facility of  
2 any national securities exchange:

- 3 A. employing any device, scheme or artifice to defraud;
- 4 B. making any untrue statement of a material fact or omitting to state a  
5 material fact necessary in order to make the statements made, in the light  
6 of the circumstances under which they were made, not misleading; or
- 7 C. engaging in any act, practice, or course of business which operates or  
8 would operate as a fraud or deceit upon any person;

9 in violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5  
10 thereunder, 17 C.F.R. § 240.10b-5.

11 V.

12 IT IS FURTHER ORDERED that Defendants Christopher A.T. Pedras, and  
13 Alicia Bryan, and their agents, servants, attorneys, and those persons in active concert  
14 or participation with any of them, who receive actual notice of this Order, by personal  
15 service or otherwise, and each of them, be and hereby are preliminarily restrained and  
16 enjoined from, directly or indirectly unless they are registered with the SEC in  
17 accordance with Section 15(b) of Exchange Act, 15 U.S.C. § 78o(b), and in the  
18 absence of any applicable exemption, making use of the mails, or any means or  
19 instrumentality of interstate commerce to effect any transactions in, or to induce  
20 or attempt to induce the purchase or sale of, any security (other than an exempted  
21 security or commercial paper, bankers' acceptances, or commercial bills) in the  
22 United States, in violation of Section 15(a) of the Exchange Act, 15 U.S.C. § 78o(a).

23 VI.

24 IT IS FURTHER ORDERED that, except as otherwise ordered by this Court,  
25 Defendants Christopher A.T. Pedras, Sylvester M. Gray II, Alicia Bryan, Maxum  
26 Gold Bnk Holdings Limited, Maxum Gold Bnk Holdings LLC, FMP Medical  
27 Services Limited, and FMP Medical Services LLC, and Relief Defendant  
28 Comptroller 2013, and their officers, agents, servants, employees, attorneys,

1 subsidiaries and affiliates, and those persons in active concert or participation with  
2 any of them, who receive actual notice of this Order, by personal service or  
3 otherwise, and each of them, be and hereby are preliminarily restrained and enjoined  
4 from, directly or indirectly transferring, assigning, selling, hypothecating, changing,  
5 wasting, dissipating, converting, concealing, encumbering, or otherwise disposing of,  
6 in any manner, any funds, assets, securities, claims or other real or personal property,  
7 including any notes or deeds of trust or other interest in real property, wherever  
8 located, of any one of the entity Defendants or Defendant Pedras, or their subsidiaries  
9 or affiliates, owned by, controlled by, managed by or in the possession or custody of  
10 any of them and from transferring, encumbering dissipating, incurring charges or  
11 cash advances on any debit or credit card of any one of the entity Defendants or  
12 Defendant Pedras, or their subsidiaries and affiliates.

13 **VII.**

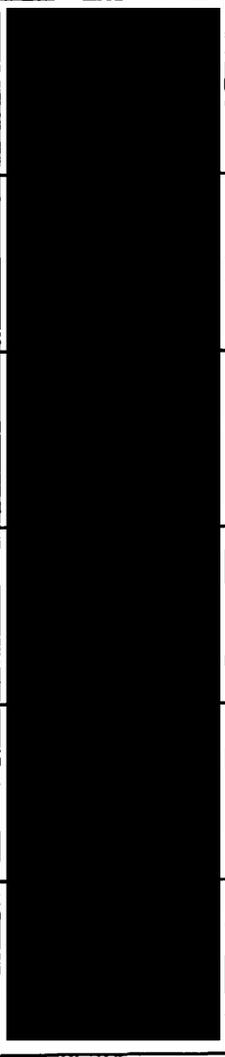
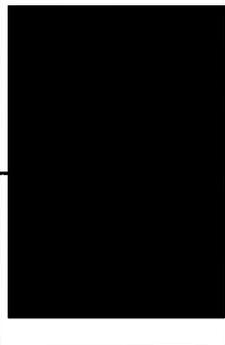
14 **IT IS FURTHER ORDERED** that, except as otherwise ordered by this Court,  
15 the previously ordered freeze placed on all monies and assets (with an allowance for  
16 necessary and reasonable living expenses to be granted only upon good cause shown  
17 by application to the Court with notice to and an opportunity for the SEC to be heard)  
18 in all accounts at any bank (including, without limitation, ANZ (Australia and New  
19 Zealand Banking Group Limited), Bank of New Zealand, Westpac New Zealand  
20 Limited, and Wells Fargo Bank, N.A.), financial institution or brokerage firm, or  
21 Internet or "e-commerce" payment processor, all certificates of deposit, and other  
22 funds or assets, held in the name of, for the benefit of, or over which account  
23 authority is held by Defendants Christopher A.T. Pedras, Maxum Gold Bnk Holdings  
24 Limited, Maxum Gold Bnk Holdings LLC, FMP Medical Services Limited, or FMP  
25 Medical Services LLC, remains in full force and effect, and includes, but is not  
26 limited to, the accounts listed below:

1	Bank Name	Account Name	Account
2			Number
3	Wells Fargo	Maxum Gold Bnk Holdings LLC	
4	Bank, N.A.		
5	Wells Fargo	Maxum Gold Bnk Holdings LLC	
6	Bank, N.A.		
7	Wells Fargo	Maxum Gold Bnk Holdings LLC	
8	Bank, N.A.		
9	Wells Fargo	Maxum Gold Bnk Holdings LLC	
10	Bank, N.A.		
11	Wells Fargo	Maxum Gold Bnk Holdings LLC	
12	Bank, N.A.		
13	Wells Fargo	Maxum Gold Bnk Holdings LLC	
14	Bank, N.A.		
15	Wells Fargo	FMP Medical Services LLC	
16	Bank, N.A.		
17	Wells Fargo	FMP Medical Services LLC	
18	Bank, N.A.		
19	Wells Fargo	FMP Medical Services LLC	
20	Bank, N.A.		
21	Wells Fargo	FMP Medical Services LLC	
22	Bank, N.A.		
23	Wells Fargo	FMP Medical Services LLC	
24	Bank, N.A.		
25	Wells Fargo	FMP Medical Services LLC	
26	Bank, N.A.		
27	Wells Fargo	FMP Medical Services LLC	
28	Bank, N.A.		

Bank Name	Account Name	Account Number
ANZ (Australia and New Zealand Banking Group Limited)	Maxum Gold Bnk Holdings Limited	[REDACTED]
ANZ (Australia and New Zealand Banking Group Limited)	Maxum Gold Bnk PCPT Limited	[REDACTED]
ANZ (Australia and New Zealand Banking Group Limited)	Antone Thomas Pedras	[REDACTED]
Bank of New Zealand	Maxum Gold Bnk Holdings Limited	[REDACTED]
Bank of New Zealand	Maxum Gold Bnk Holdings Limited	[REDACTED]
Bank of New Zealand	Maxum Gold Bnk Limited	[REDACTED]

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Bank Name	Account Name	Account Number
Bank of New Zealand	Mr. A T Pedras Associated Business Advisors	
Bank of New Zealand	Mr. A T Pedras Associated Business Advisors	
Westpac New Zealand Limited	Maxum Gold Bnk Holdings Limited	
Westpac New Zealand Limited	Comptroller 2013 Limited	
Westpac New Zealand Limited	Mr. A T. Pedras	
Westpac New Zealand Limited	Mr. A T. Pedras	
Westpac New Zealand Limited	FMP Medical Services Limited	
Westpac New Zealand Limited	FMP Medical Services Limited – Trust Account	

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**VIII.**

IT IS FURTHER ORDERED that, except as otherwise ordered by this Court, Defendants Christopher A.T. Pedras, Sylvester M. Gray II, Alicia Bryan, Maxum Gold Bnk Holdings Limited, Maxum Gold Bnk Holdings LLC, FMP Medical Services Limited, and FMP Medical Services LLC, and Relief Defendant Comptroller 2013, and their officers, agents, servants, employees, attorneys, subsidiaries and affiliates; and those persons in active concert or participation with any of them, who receive actual notice of this Order, by personal service or otherwise, and each of them, be and hereby are preliminarily restrained and enjoined from, directly or indirectly: destroying, mutilating, concealing, transferring, altering, or otherwise disposing of, in any manner, any documents, which includes all books, records, computer programs, computer files, computer printouts, contracts, correspondence, memoranda, brochures, or any other documents of any kind in their possession, custody or control, however created, produced, or stored (manually, mechanically, electronically, or otherwise), pertaining in any manner to Defendants Christopher A.T. Pedras, Sylvester M. Gray II, Alicia Bryan, Maxum Gold Bnk Holdings Limited, Maxum Gold Bnk Holdings LLC, FMP Medical Services Limited, and FMP Medical Services LLC, and Relief Defendant Comptroller 2013 or their subsidiaries and affiliates.

**IX.**

IT IS FURTHER ORDERED that Defendants Christopher A.T. Pedras, Sylvester M. Gray II, Alicia Bryan, Maxum Gold Bnk Holdings Limited, Maxum Gold Bnk Holdings LLC, FMP Medical Services Limited, and FMP Medical Services LLC, and Relief Defendant Comptroller 2013 shall, within five days of the issuance of this Order, prepare and deliver to the SEC a detailed and complete schedule of all of their personal assets, including all real and personal property exceeding \$5,000 in value, and all bank, securities, futures and other accounts identified by institution, branch address and account number. The accountings shall include a description of the source(s) of all such assets. Such accountings shall be filed with the Court and a copy shall be

1 delivered to counsel for the SEC in this action at the SEC's Los Angeles Regional  
2 Office. Defendants Christopher A.T. Pedras, Sylvester M. Gray II, Alicia Bryan,  
3 Maxum Gold Bnk Holdings Limited, Maxum Gold Bnk Holdings LLC, FMP Medical  
4 Services Limited, and FMP Medical Services LLC, and Relief Defendant Comptroller  
5 2013 shall produce to the SEC's Los Angeles Regional Office, together with the  
6 accountings, all books, records and other documents supporting or underlying their  
7 accountings.

8 X.

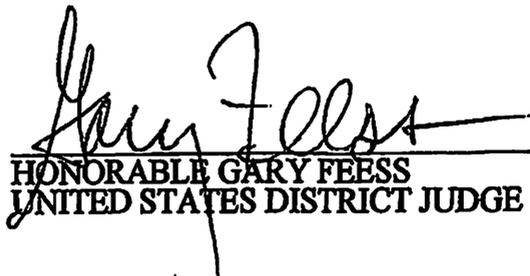
9 IT IS FURTHER ORDERED that Plaintiff SEC may effect service of this  
10 Order and any subsequent filings in this action on Defendants Christopher A.T.  
11 Pedras by personal service in California or in New Zealand, or by email; and that  
12 service on Pedras by email will effectuate service upon Defendants Maxum Gold Bnk  
13 Holdings Limited and FMP Medical Services Limited, and Relief Defendant  
14 Comptroller 2013 Limited.

15 XI.

16 IT IS FURTHER ORDERED that this Court shall retain jurisdiction over this  
17 action for the purpose of implementing and carrying out the terms of all orders and  
18 decrees which may be entered herein and to entertain any suitable application or  
19 motion for additional relief within the jurisdiction of this Court.

20  
21 IT IS SO ORDERED.

22  
23 Dated: 11/20/13

  
HONORABLE GARY FEESS  
UNITED STATES DISTRICT JUDGE

# **EXHIBIT 8**



# LEGAL CONSIDERATIONS



## New Zealand

Official Name: New Zealand

LAST UPDATED: NOVEMBER 15, 2013

- Party to Hague Service Convention? No
- Party to Hague Evidence Convention? No
- Party to Hague Apostille Convention? Yes
- Party to Inter-American Convention? No
- Service of Process by Mail? N/A

### DISCLAIMER

THE INFORMATION RELATING TO THE LEGAL REQUIREMENTS OF SPECIFIC FOREIGN COUNTRIES IS PROVIDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE TOTALLY ACCURATE IN A PARTICULAR CASE. QUESTIONS INVOLVING INTERPRETATION OF SPECIFIC FOREIGN LAWS SHOULD BE ADDRESSED TO FOREIGN ATTORNEYS. THIS CIRCULAR SEEKS ONLY TO PROVIDE INFORMATION; IT IS NOT AN OPINION ON ANY ASPECT OF U.S., FOREIGN, OR INTERNATIONAL LAW. THE U.S. DEPARTMENT OF STATE DOES NOT INTEND BY THE CONTENTS OF THIS CIRCULAR TO TAKE A POSITION ON ANY ASPECT OF ANY PENDING LITIGATION.

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## LEGAL CONSIDERATIONS



## No Country Specific Information

The Department of State does not currently have any country specific information on Tonga regarding judicial assistance. Questions about methods of service, rules of evidence or other matters may be directed to local counsel. The U.S. Embassy maintains a list of attorneys willing to assist U.S. clients at the Embassy and Consulate website

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